NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.

Congressional Information Service,
Washington, D.C.

CIS

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1991

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

NEAL SMITH, Iowa, *Chairman*

BILL ALEXANDER, Arkansas
JOSEPH D. EARLY, Massachusetts
BERNARD J. DWYER, New Jersey
BOB CARR, Michigan
ALAN B. MOLLOHAN, West Virginia

HAROLD ROGERS, Kentucky
RALPH REGULA, Ohio
JIM KOLBE, Arizona

JOHN G. OSTHAUS and GEORGE H. SCHAFER, *Subcommittee StaffSubcommittee Staff*

PART 5

RELATED AGENCIES

	Page
Martin Luther King, Jr. Federal Holiday Commission	1
Commission on the Bicentennial of the U.S. Constitution	51
Japan-United States Friendship Commission	151
Christopher Columbus Quincentenary Commission	175
State Justice Institute	257
Board for International Broadcasting	333
Equal Employment Opportunity Commission	417
Commission on Security and Cooperation in Europe	473
United States Information Agency	515
Marine Mammal Commission	1041
Federal Maritime Commission	1071

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE
27-566 O WASHINGTON : 1990

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

H181-17

COMMITTEE ON APPROPRIATIONS

JAMIE L. WHITTEN, Mississippi, *Chairman*

WILLIAM H. NATCHER, Kentucky
NEAL SMITH, Iowa
SIDNEY R. YATES, Illinois
DAVID R. OBEY, Wisconsin
EDWARD R. ROYBAL, California
LOUIS STOKES, Ohio
TOM BEVILL, Alabama
BILL ALEXANDER, Arkansas
JOHN P. MURTHA, Pennsylvania
BOB TRAXLER, Michigan
JOSEPH D. EARLY, Massachusetts
CHARLES WILSON, Texas
LINDY (MRS. HALE) BOGGS, Louisiana
NORMAN D. DICKS, Washington
MATTHEW F. McHUGH, New York
WILLIAM LEHMAN, Florida
MARTIN OLAV SABO, Minnesota
JULIAN C. DIXON, California
VIC FAZIO, California
W. G. (BILL) HEFNER, North Carolina
LES AuCOIN, Oregon
DANIEL K. AKAKA, Hawaii
WES WATKINS, Oklahoma
WILLIAM H. GRAY III, Pennsylvania
BERNARD J. DWYER, New Jersey
STENY H. HOYER, Maryland
BOB CARR, Michigan
ROBERT J. MRAZEK, New York
RICHARD J. DURBIN, Illinois
RONALD D. COLEMAN, Texas
ALAN B. MOLLOHAN, West Virginia
LINDSAY THOMAS, Georgia
CHESTER G. ATKINS, Massachusetts
JIM CHAPMAN, Texas

SILVIO O. CONTE, Massachusetts
JOSEPH M. McDADE, Pennsylvania
JOHN T. MYERS, Indiana
CLARENCE E. MILLER, Ohio
LAWRENCE COUGHLIN, Pennsylvania
C. W. BILL YOUNG, Florida
RALPH REGULA, Ohio
VIRGINIA SMITH, Nebraska
CARL D. PURSELL, Michigan
MICKEY EDWARDS, Oklahoma
BOB LIVINGSTON, Louisiana
BILL GREEN, New York
JERRY LEWIS, California
JOHN EDWARD PORTER, Illinois
HAROLD ROGERS, Kentucky
JOE SKEEN, New Mexico
FRANK R. WOLF, Virginia
BILL LOWERY, California
VIN WEBER, Minnesota
TOM DeLAY, Texas
JIM KOLBE, Arizona
DEAN A. GALLO, New Jersey

FREDERICK G. MOHRMAN, *Clerk and Staff Director*

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1991

MONDAY, FEBRUARY 5, 1990.

MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION

WITNESSES

CORETTA SCOTT KING, CHAIRPERSON
LLOYD DAVIS, EXECUTIVE DIRECTOR

Mr. SMITH. Next we hear the testimony concerning the 1991 budget request for the Martin Luther King, Jr. Federal Holiday Commission. The request is $300,000 for fiscal year 1991, which is identical to the amount that we appropriated for fiscal year 1990.

We will insert the budget justifications submitted in support of this request at this point in the record.

[The budget justifications follow:]

THE
MARTIN
LUTHER
KING JR

FEDERAL HOLIDAY COMMISSION

Chairperson
Coretta Scott King

Vice Chairperson
Cong. Ralph Regula

Commissioners
Rev. Ralph D. Abernathy
Hon. Lee Atwater
Hon. Marion S. Barry, Jr.
Samuel L. Brookfield
Hon. Ronald H. Brown
Leonard Burchman
Cong. James A. Courter
Fred G. Currey
Cong. John C. Danforth
Sen. Robert J. Dole
Christine King Farris
Keith Geiger
Jesse Hill, Jr.
Sen. Ernest F. Hollings
Rev. Benjamin Hooks
Rev. Jesse L. Jackson
Gov. Thomas H. Kean
Hon. Jack F. Kemp
Sen. Edward M. Kennedy
Yolanda King
Dr. Charles B. Knapp
Rev. Joseph E. Lowery
ne Marley
tricia McClurg
Nellum
Obledo
Cong. Thomas C. Sawyer
Jack Sheinkman
Arden E. Shenker
Mitch Snyder
David J. Stern
Peter V. Ueberroth
Cong. Alan Wheat
Rev. Hosea Williams
Stevie Wonder
Andrew Young

Executive Director
Lloyd Davis
Atlanta Office
449 Auburn Avenue, N.E.
Atlanta, GA 30312
(404) 524-1956

Acting Deputy
Executive Director
Madeline Y. Lawson
Washington Office
451 Seventh Street, S.W.
Suite 5182
Washington, D.C. 20410
(202) 755-1005/755-2650

Honorary Directors
Donald C. Alexander, Esq.
Hon. Willie L. Brown, Jr.
Rev. Caesar Clark, Sr.
Jack Kent Cooke
Cong. Mervyn M. Dymally
Mary Hatwood Futrell
Cong. William H. Gray, III
Dr. Robert L. Green
Hon. Katie Hall
Hon. Maynard H. Jackson
Rev. T.J. Jemison
H. Johnson
harles McC. Mathias, Jr.
y T. Moore
ry Peck
Gov. James R. Thompson
Rev. C.T. Vivian
Rev. Cecil Williams
David L. Wolper
Michael York
Patricia York

MARTIN LUTHER KING, JR.
FEDERAL HOLIDAY COMMISSION

APPROPRIATION REQUEST

FOR

FISCAL YEAR 1991

before

HOUSE COMMITTEE ON APPROPRIATIONS, SUBCOMMITTEE ON COMMERCE, JUSTICE, STATE, AND JUDICIARY

February 5, 1990

Tax deductible contributions may be made to the Martin Luther King, Jr. Federal Holiday Corporation, a Nonprofit Charitable Organization formed to carry out the work of the Commission.

OFFSET
CAMERA COPY

MARTIN LUTHER KING, JR.
FEDERAL HOLIDAY COMMISSION

FY 1991 BUDGET

SECTION

FY 1991 Appropriation Language 1

Description of Commission 2

Work Program 1990/1991 3

Budget Estimates 4

Budget Tables 5

FY 1991 Appropriation Language

MARTIN LUTHER KING, JR.
FEDERAL HOLIDAY COMMISSION

For necessary expenses of the Martin Luther King, Jr. Federal Holiday Commission, as authorized by Public Law 98-399, as amended, $300,000, to remain available until expended.

DESCRIPTION OF THE MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION

The Martin Luther King, Jr. Federal Holiday Commission is an independent organization comprised of 40 members appointed by the President. The Commission was established by Public Law 98-399, on August 27, 1984.

The statutory mandate of the Commission assigns it the following responsibilities:

- To coordinate efforts with Americans of diverse backgrounds and with private organizations in the observance of the holiday.
- To encourage appropriate ceremonies and activities throughout the United States relating to the observance of the Federal legal holiday honoring Martin Luther King, Jr., which occurs on the third Monday in January each year.
- To provide advice and assistance to Federal, State, and local governments and to private organizations with respect to the observance of such holiday.

THE MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION
1990/91 WORK PROGRAM

"THE MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION PLAYS A CENTRAL ROLE IN PRESERVING A GREAT NATIONAL TREASURE. OVER THE PAST FIVE YEARS, THE COMMISSION HAS DONE A GREAT DEAL TO MAKE THE OBSERVANCE OF THE KING HOLIDAY A NATIONAL AND INTERNATIONAL EVENT. OUR AGENDA FOR THE NEXT FIVE YEARS MUST BE TO BUILD ON THAT BEGINNING--TO SEE TO IT THAT THE THIRD MONDAY OF EVERY JANUARY BECOMES A DAY OF HOPE, RENEWAL AND REDEDICATION TO THE IDEALS DR. KING UPHELD....LET'S PASS THE KING LEGACY ON TO OUR CHILDREN WHOSE IDEALS AND ATTITUDES WILL SHAPE OUR SOCIETY INTO THE NEXT CENTURY."

PRESIDENT GEORGE BUSH
THE EAST ROOM, THE WHITE HOUSE
MAY 17, 1989

1990/91 COMMISSION WORK PROGRAM

INTRODUCTION

The legislation establishing the Federal Commission stated that the King Holiday "...shall serve as a time for Americans to reflect on the principles of racial equality and nonviolent social change espoused by Martin Luther King, Jr."

The 1989 legislation extending the Federal Holiday Commission prohibited the Commission from supporting training activities for the purpose of directing or encouraging the organization or implementation of campaigns to protest social conditions and any form of civil disobedience.

The Commission has three very specific legislative mandates:

1. Coordinate efforts with Americans of diverse backgrounds and private organizations in the observance of the Holiday.

2. Encourage appropriate ceremonies and activities throughout the United States, U.S. territories, overseas installations, diplomatic communities in the United States, and those governments requesting technical assistance and guidance.

3. Provide advice and assistance to Federal, State and local governments and private organizations with respect to the observance of the Holiday.

In the context of these charges and prohibitions, the Commission considers it appropriate to:

1. Establish standards and create appropriate symbols, images and themes for observance of the Holiday.

2. Serve as a clearinghouse for information and suggest appropriate ceremonies, events and programs to be used by various entities.

3. Sponsor planning, educational, and informational conferences, workshops, seminars and special events

4. Develop and maintain a Speakers Bureau on the Holiday.

5. Develop and distribute appropriate King Holiday observance guidelines for particular targeted audiences i.e. business, labor, education, entertainment, youth, professional associations, federal agencies, etc.

6. Provide technical assistance and staff support for private and governmental bodies and respond to requests from the general public on Holiday observance matters.

The 1990/91 priorities are listed under the following three major legislative charges to: COORDINATE, ENCOURAGE, and PROVIDE. Note: Priorities under the various categories may be undertaken concurrently.

COORDINATE

1. Activate the Commission's national committees and establish individualized programs, goals and objectives for each of them. Recruit members for unstaffed committees and solicit the involvement of Commissioners and Directors.

2. Coordinate the collection of essential holiday information and data from the states, counties, municipalities, military and private organizations, and countries for the dissemination and use in reports and materials for the public and government agencies.

3. Strengthen the Commission's capability to utilize the print and electronic media to disseminate information on the annual Holiday observance through its network of institutions and organizations .

4. Develop and improve contacts/relationships with governors, state and county officials, mayors, school officials, state and local Holiday commissions and public and private organizations through publications, conferences, workshops and related events.

5. Obtain appropriate staff and technical assistance for implementation of the Martin Luther King, Jr. Heritage Projects.

6. Heighten the visibility and importance of the annual Liberty Bell ceremony in Philadelphia and expand the concurrent participation of institutions and individuals in the bell ringing ceremonies across the country, U.S. territories and in nations around the world.

7. Work more closely with the State Department, United States Information Agency, Agency for International Development, the United Nations and others to encourage appropriate international observances of the Holiday.

ENCOURAGE

1. Continue the up-grading and expansion of the National Parade and March of Celebration and its increased coverage by national and international radio, television and press media. Work toward making it a self supporting activity.

2. Increase the commemorative and substantive involvement of Federal civilian agencies and employees at the national, regional and local levels. Work through the Department of Defense to make a special outreach effort to the military personnel in the United States and especially overseas who desire to participate in Holiday observance actvities.

3. Encourage broader and increased public understanding of, and particiation in, the Holiday.

4. Reactivate the Commission's "Living the Dream" pledge which continues to be popular with the nation's school children and develop a data base with the storage and retrieval capacity to accommodate millions of pledges already received or likely to be received.

5. Sponsor an annual recognition event and award for the trailblazers who have made the holiday possible or who continue to contribute to its success.

6. Sponsor one major Commission event and award at the new civil rights memorial in Montgomery, Alabama. This "... birthplace of the U.S. civil rights movement," honors those who died during the struggle for equality and highlights key events from the era. Relate this event to the annual Selma to Atlanta Freedom Relay.

7. Build upon the success of the first Commission sponsored International Ecumenical Prayer Breakfast in Washington, D.C., on January 15,1990.

8. Institutionalize the annual Diplomatic Corps receptions in Washington and New York as important networking tools for the international celebration of the King Holiday and as a means toward their participation in the National Holiday Parade.

9. Explore ways with the White House staff and others on how the traditional White House Proclamation Ceremony might become more substantive. Continue the annual meeting of the Federal Commission at the U.S. Supreme Court.

10. Secure permission from NBC to provide public television and private showings of the February 5, 1990, civil rights drama "Murder in Mississippi." The broadcast focuses on the friendship, relationship and work of James Chaney, Mickey Schwerner and Andrew Goodman who were brutally murdered. It is an excellent tool for providing students with a perspective on the history of the civil rights movement and for exploring with

them some of the social questions which the civil rights movement, despite its achievements, has left unanswered.

PROVIDE

1. Secure support to modernize the Commission's operations, i.e., toll free telephone lines for the dissemination of Holiday information, a state of the art computer system that will electronically connect the Washington, D.C. office with the Atlanta office; track requests for information; permit for a centralized inventory and distribution point; provide linkage with other systems, and permit the development of a centralized data base that will facilitate the implementation of successful programs by the numerous national committees.

2. Prepare a "How To" operations and program manual on past Holiday activities and events for use by State and local holiday commissions and committees and private organizations.

3. Improve the quality and content of the Commission's Annual Report and develop the quarterly "I Have A Dream" newsletter into a first class publication.

4. Obtain the services (pro-bono) of a specialist to assist in the development of a strategic planning document which will set forth specific goals, objectives and timetables for the King Holiday through 1994 and beyond.

5. Enlist local archival organizations in the preservation of historical Commission and Holiday documents. Encourage persons to write about the "Making of the King Holiday."

6. Place increasing importance upon college and university student programs and through them encourage unity, fellowship and development of common goals that reflect the spirit of Dr. King (President's mandate to pass Dr. Kings teachings and life work onto future generations). In cooperation with the National Catholic Conference for Interracial Justice, sponsor a national Catholic college and university conference to encourage their more active involvement in the Holiday and Birthday Anniversary celebrations and to better coordinate their activities with those undertaken by the United States Student Association and the national black colleges and universities.

7. Increase the distribution of the "Freedom Trail" poster and Holiday guide as a means of educating citizens of all ages to the works and teachings of Dr. King.

8. Find the means for linking the current nonviolent freedom struggles around the world to the legacy and teachings of Dr. King so that the world, as Dorothy Gilliams wrote in the Washington Post (November 13, 1989), will clearly "... understand that a brown man from India and a black man from Georgia were the leaders for change that shook the world, and that their methods inspired millions in their struggles for freedom."

MARTIN LUTHER KING, JR.
FEDERAL HOLIDAY COMMISSION

FY 1991 BUDGET REQUEST

Personnel Summary	1989 Level	1990 Estimate	1990 Request
Total number of full-time permanent positions	0	4	4
Total compensable workyears	0		
Full-time equivalent employment	0	4	4

MARTIN LUTHER KING, JR.
FEDERAL HOLIDAY COMMISSION

FY 1991 BUDGET REQUEST

Program and Financing (in thousands of dollars)	1989 Level	1990 Estimate	1991 Request
Obligated balance available, Start of Year	0	0	0
Obligated balance available, End of Year	0	(100)	0
Obligations incurred, net	0	0	0
Obligated balance, Start of Year	0	0	0
Obligated balance, End of Year	0	(60,000)	(60,000)
Outlays	0	(60,100)	(60,000)

MARTIN LUTHER KING, JR.
FEDERAL HOLIDAY COMMISSION

FY 1991 BUDGET REQUEST

Object Classification (in thousands of dollars)		1989 Level	1990 Estimate	1991 Request
	Personnel Compensation:			
11.1	Full-time permanent	0	129,100	146,800
11.3	Other than full-time permanent	0	0	0
11.9	Total personnel compensation	0	129,100	146,800
12.1	Personnel benefits: Civilian	0	32,300	36,700
21.0	Travel and transportation of persons	0	49,500	54,000
22.0	Transportation of things	0	0	0
23.1	Rental payments to GSA	0	35,000	35,000
23.3	Communications, utilities, and miscellaneous charges	0	10,000	4,000
24.0	Printing and reproduction	0	5,000	1,000
25.0	Other services	0	33,600	21,000
26.0	Supplies and materials	0	2,000	1,500
31.0	Equipment	0	3,400	0
99.9	Total obligations	0	299,900	300,000

BUDGET ESTIMATES BY CATEGORY

SALARIES

One hundred forty-six thousand eight hundred dollars ($146,800) is estimated for personnel compensation for the executive director and three staff members. The three administrative staff members includes a special assistant, an administrative officer responsible for administrative functions including budget and fiscal matters, and a secretary who performs typing, filing, and other clerical duties. In addition to the salary expenses, thirty-seven thousand six hundred dollars ($37,600) is budgeted for personnel benefits.

TRAVEL

Fifty-four thousand dollars is the anticipated costs of Commission travel. The Commission is mandated to encourage ceremonies and activities throughout the United States. To further accomplish its goals, the Commission intends to hold four meetings during FY 1991.

Chairperson	$15,000
Commissioners	27,000
Staff	12,000
Total	$54,000

OTHER OPERATING EXPENSES

Sixty-two thousand five hundred dollars is budgeted for other expenses in the following areas:

Rent	$35,000
Holiday observance and activities	21,000
Postage	4,000
Supplies	1,500
Printing	1,000
Total	$62,500

Mr. **Smith**. We welcome for the first time, Coretta Scott King, who as Chairman, will testify on behalf of the Commission. Since this is your first time to testify before this subcommittee, we will insert your biography sheet into the record.

[Mrs. King's biographical information follows:]

Biographical Information on Coretta Scott King

Coretta Scott King is the founding President and Chief Executive Officer of the Martin Luther King, Jr., Center for Nonviolent Social Change, Inc., in Atlanta, Georgia. The center is a living memorial to Dr. King, preserving the legacy of what the human rights movement acccomplished under his leadership.

Born and raised in Marion, Alabama, Coretta Scott graduated from Lincoln High School. She went north to Yellow Springs, Ohio and received a B.A. in music and education at Antioch College, after which she went to Boston to study as a concert singer at the New England Conservatory of Music. In Boston, she met Martin Luther King, Jr., who was studying for his doctorate in theology at Boston University. They were married on June 18, 1953, and the following year, Mrs. King received her Mus. B. degree in voice. Dr. and Mrs. King had four children: Yolanda Denise, who was born on November 17, 1955; Martin Luther, III, born October 23, 1957; Dexter Scott, born January 30, 1961; and Bernice Albertine, born March 28, 1963.

During Dr. King's public career, Mrs. King occasionally substituted for him as a speaker and frequently appeared, in her own right, as a speaker before church, civic, college, fraternal and peace groups throughout the United States and abroad. She conceived and performed a series of well-reviewed Freedom Concerts, combinning prose and poetry narration with musical selections to present the history of the movement her husband led, as well as raised funds for the cause.

Mrs. King has carried her husband's advocacy of peace and justice through nonviolent action across the nation and throughout the world. in 1957, she and Dr. King journeyed to Ghana to mark that country's independence and in 1964, to Oslo, Norway, where Dr. King was given the Nobel Peace Prize. She has also traveled to India on three occasions (once with Dr. King), most recently to promote the award-winning film *Ghandi*. In recent years, she has led goodwill missions to a number of Latin American and African nations and she addressed two of history's most massive peace rallies in Bonn, Germany and New York. Mrs. King also served as a Women's Strike for Peace delegate to the seventeen-nation Disarmament Conference in Geneva, Switzerland in 1962. She was the first woman to deliver the Class Day address at Harvard University and the first woman to preach at the statutory service at St. Paul's Cathedral in London.

Since Dr. King's assassination, her life's work has been dedicated to building the Atlanta-based Martin Luther King, Jr., Center for Nonviolent Social Change, which was established on January 15, 1969. Last year, more than a half million people visited the center, which includes Dr. King's crypt, his birth home, the Freedom Hall Complex and the Ebenezer Baptist Church. After years of planning and lobbying under Mrs. King's leadership, the 23-acre neighborhood surrounding these historic sites was declared a National Historic Site, a division of the National Part Service in 1980. The Freedom Hall Complex, which was completed during the summer of 1981, is the permanent home for the King Center's programs and activities. Forming a complete rectangle around Dr. King's tomb, it includes Freedom Walkway, Freedom Plaza, the Chapel of All Faiths, offices, exhibit halls, seminar rooms, a gift shop, cafeteria, the King Library and Archives, a 250-seat auditorium and an international conference and cultural center with multi-lingual translation facilities. The center promotes Dr. King's philosphy and strategy of nonviolence through seminars, workshops, and training programs for youths, teachers, community leaders, administrators and others.

The King Center is a pivotal force in building massive interracial coalitions. In 1974, the center formed a broad coalition of religious, labor, business, civil women's rights organizations to educate and lobby for full employment and genuine economic opportunity for everyone. Along with Murray Finley, President of the Amalgamated Clothing and Textile Workers Union, Mrs. King serves as Co-Chairperson of the Full Employment Action Council, representing over 100 national organizations dedicated to a national policy to provide a job at a decent wage for every person who is willing and able to work.

Mrs. King led the mobilization efforts for the 20th Anniversary March on Washington, D.C., bringing together more than 800 human rights organizations to form the Coalition of Conscience. The 1983 march brought more than a half million concerned activists to the nation's capital for the largest nonviolent demonstration in the capital's history. In 1984, Mrs. King was elected chairperson of the Martin Luther King, Jr., Federal Holiday Commission, which was established by an act of Congress to formalize plans for the first National Legal Holiday in honor of Dr. King on January 20, 1986.

Mr. SMITH. Mrs. King, you may proceed with your statement.

GENERAL STATEMENT

Mrs. KING. Thank you.

Chairman Smith and distinguished members of the subcommittee, I am honored and grateful for the opportunity to appear before you this afternoon if for no other reason than to thank you for your generous support of the holiday in honor of Martin Luther King, Jr., and for the work of the Federal Holiday Commission.

We are preparing our report to the President and the Congress on the results of the fifth federal holiday on Monday, January 15, 1990, the first time in which both Dr. King's birthday and the holiday occurred on the same day.

We are grateful to President Bush for his proclamation on the holiday. We also appreciate his recent and forceful statements against racial violence and for recognizing the relationship between those nonviolent struggles for freedom now taking place all over the world and the legacy of Martin Luther King, Jr. As the President reminded Americans, "The civil rights anthem of 'We Shall Overcome' has captured the hearts of millions as democracy begins to bloom in Eastern Europe."

We also must be encouraged by the remarkable success of nonviolent movements during the last year in Hungary, Poland, Czechoslovakia, Chile, Namibia, China and even South Africa where people of all races, and cultures, celebrated the first nationwide public observance of Dr. King's holiday.

This past year we have seen hundreds of people pursuing freedom through his nonviolent methods and singing "We Shall Overcome" in the streets of Pretoria, Moscow, Warsaw and Prague.

Some of you have seen photographs in news magazines of Chinese students carrying signs and wearing tee-shirts that display the words, "We Shall Overcome." Secretary Jack Kemp of the U.S. Department of Housing and Urban Development, who represented President Bush at our Atlanta National King week events in January, presented me with an enlarged photograph of the students. But it is not just the song these freedom struggles have borrowed from the American civil rights movement.

The same philosophy and methods of nonviolence that we used to break down the walls of segregation are now being used to remove the Berlin Wall and the Iron Curtain. As Newsweek magazine reported on December 25, 1989, and I quote, "The American civil rights movement of the 1960's taught strategy, tactics and an anthem, 'We Shall Overcome,' which sounded in English and half a dozen other tongues over protests from China to Poland".

Shen Tong, one of the leaders of China's student revolt, served as the International Grand Marshall of our national parade and march of celebration in Atlanta on Monday, January 15, and which was covered world-wide by TBS and the Armed Service networks, and viewed live by more than 2 million people, including 500,000 who lined the streets of Atlanta.

Shen said that he was introduced to Dr. King's writings and those of Mohandas K. Gandhi, on whose teachings much of Dr. King's nonviolent philosophy was based, while he was a high school freshman in China. Brother Tong stated, and I again quote, "The success of the civil rights movement in this country makes me feel very comfortable that the nonviolence principles will win in the end in China".

When he was Secretary of State, George Schultz predicted this development on September 19, 1989, when he addressed the Washington, D.C. Diplomatic Corps about making the observance of Dr. King's birthday anniversary and holiday both commemorative and substantive. "Today, men and women everywhere are laying claim to Dr. King's legacy."

He said, "Around the globe we see a powerful impulse toward democratic institutions and values. In each of these nations—indeed whenever the struggle for democracy and human rights is waged today—the memory of Martin Luther King, Jr. is revered."

What Secretary Schultz said was reinforced by the comments of Ambassador Thomas R. Pickering, who with the support of Secretary of State James Baker, hosted a reception in honor of Dr. King and the holiday in New York City on Wednesday, January 17, 1990, at the U.S. Mission for members and staff of the United Nations.

When the Congress passed the legislation establishing the Federal Holiday Commission, you stated that the "Holiday should serve as a time for Americans to reflect on the principles of racial equality and nonviolent social change espoused by Martin Luther King, Jr." President Bush has stated that the Commission's agenda for the next five years must be "to build on that beginning—to see to it that the third Monday of every January becomes a day of renewal and rededication to the ideals Dr. King upheld."

The President also urged the Commission to work to "pass the King legacy onto our children, whose ideals and attitudes will shape our society into the next century."

Here in America, the continuation of Dr. King's legacy means moving quickly to address our domestic needs, funding the war on drugs, better education for all of our children, jobs and training and child care, health care, literacy and nutrition programs, decent housing, improving our environment and saving our cities; the preservation of our hard won civil and human rights; a uniting of our people so there will be no racial, ethnic, cultural and economic separation, isolation or mistrust. The recognition that we are all one family with a common humanity and shared belief in the greatness of our nation and its potential for continued growth and development.

FUNDING

The King Holiday Commission has accomplished the impossible in five years without federal funding. We failed to be funded in 1989 so that we entered the plans for the fifth holiday and 61st birthday anniversary of Dr. King with only hope, determination and faith in a God who has watched over this activity from its very inception. We have just gone through the most successful national and international observance of the holiday yet held.

You members of the United States House of Representatives were correct in your judgment that the King holiday is not simply a black holiday, but a unique national and international event which transcends politics and national boundaries, and which has the capability to encourage freedom and unite people.

You called for a permanent commission and for substantial funding. I believe that you were right and the passing of time will demonstrate the wisdom of your position. It is impossible to carry out all of the tasks set forth in the work program for 1990 and 1991 without additional funds for more staff.

BUDGET REQUEST

The $300,000 simply does not go far enough. Additionally, the legislation creating the commission limited all of its staff to a pay scale not to exceed the GS-13 schedule with the exception of the executive director, who can be GS-18. This limitation makes recruitment of highly qualified and professional staff in the competitive capital area most difficult.

Additional funding for this holiday would be one of the most cost-effective investments our Government could make toward securing better race relations, international cooperation and a high level of national unity and brotherhood. It would also promote the ideals of nonviolence and peaceful conflict-resolution, which are so desperately needed to offset the epidemic violence that is threatening communities in every congressional district.

SUPPORT FROM OTHER ORGANIZATIONS

The Commission would not still exist without the most generous support of our federal departments and agencies such as the U.S. Department of Housing and Urban Development where we are housed. It could not exist without the thousands of volunteers and supporters who contribute time; those who provide pro-bono services in the fields of accounting, media and law, and finally, those few business persons who have come to realize the value and importance of the holiday and who help the commission financially and through their marketing, promotions and product sales activities.

We appreciate Wall Street having a minute of silence in honor of the holiday, but Wall Street should be closed as should all other major stock exchanges around the world. Our greatest challenge here in America is to secure a more active involvement of the business community in the holiday observance and convincing those remaining minority of our people, that the holiday is not a black activity; that it is inclusive, universal and can be helpful in uniting our people and those of the world in the spirit and tradition of our own nation's sacred heritage.

Those who still seek to discredit Dr. King and the federal holiday in his honor must realize that he can no longer be hurt. He is forever a part of the history of our nation and that of this world. His dream is alive and well and when bells ring all over the world in his honor, proclaiming the holiday a day of peace and nonviolence, they do so in the name of his dream of that beloved community and the world house where all of God's children can live in peace with justice, dignity and freedom for all.

Thank you, Mr. Chairman and members of the committee for this opportunity to address these hearings.

NON VIOLENCE VS. VIOLENCE

Mr. SMITH. Thank you, Mrs. King, for being here. I do appreciate your statement and your emphasis upon the fact that the Martin Luther King Holiday is not only a black holiday, it is a holiday to celebrate the fact that we finally realize that nonviolence will sometime resolve conflicts that violence will not resolve. I doubt if you have ever been shown the article, but I produced a statement some years ago, recalling a little history that took place in the 1960's.

The reason I wrote the article, and I put it in the Congressional Record, is because I am the only living person who was privy to some of the meetings that were held at that time. I point out in that article that those who were prone to violence were trying to take over the movement, they very much they wanted to, and if they had been successful, of course, the movement would not have been successful.

I call that to your attention, and if you haven't seen the article, you might want to read it.

Mrs. KING. Where was it printed again?

Mr. SMITH. It was in the Congressional Record. I made a statement on the Floor about it. We can get you a copy of it, if you want it.

Mrs. KING. I would appreciate that.

Mr. SMITH. The article recalls a little history that took place in the 1960's, at the time just before the big speech. Anyway I appreciate your emphasis on the fact that what we are celebrating is that violence sometimes will not resolve conflicts that nonviolence will resolve. That is the theme of what you said in your statement, and that is the theme that we should be celebrating.

Mrs. KING. Thank you, Mr. Chairman. I would just like to say that I agree with what you say about violence, but Dr. King put it this way, that violence can achieve temporary victories but never permanent peace, so that nonviolence is the only alternative that will assure peace now and in the distant future, and that is something that I think that we have to have people understand.

You can achieve a temporary victory but never a permanent peace because he further said that it creates more social problems, more chaos, and further violence in the process when violence is used, and that is a pretty strong statement, but the fact is that we are learning about this alternative around the world. And I think as people use it more and more they begin to understand the truth of Dr. King's words.

Mr. SMITH. Those who employ the violence tend to polarize people into positions where they won't consider change, and that is one thing I hope everyone learns from that.

FUNDING—PRIVATE SECTOR

You alluded to the fact that you are permitted to receive funding from other than federal sources. What success have you had?

Mrs. KING. I have with me Mr. Lloyd Davis, who is the Executive Director of the Federal Holiday Commission, and I will ask him to speak to that.

Mr. DAVIS. Mr. Chairman, when we started to prepare for the first holiday in 1984, the Members of the Congress and persons at large who had worked for the establishment of the Commission estimated at that time that to accomplish what was required of the most demanding holiday in the history of the nation, that a budget of $2 million was not unreasonable, and I think the intent was honestly that we could go to the private sector, the general public and particularly business and foundations to secure that kind of support.

But it was not long into the process, and I think our Vice-Chair, Congressman Regula, who serves as Vice-Chair of the Commission could bear me out, that it was not as easy as it seems given the competitive nature of that market out there and the scarcity of charitable dollars and the limitations on many of the federal programs, which in turn have placed a heavier burden on the private sector to assume greater responsibility for many of our charitable activities that we soon realized we were not going to raise $2 million.

We didn't raise $1 million, and so of necessity we began to pare the budget back to $500,000.

Mr. SMITH. How much did you raise?

Mr. DAVIS. The first year Senator Dole and Mr. Edward Jefferson, the head of the Dupont Corporation, and Dr. Ed Levy, who was a former Attorney General and former President of the University of Chicago, undertook the fund-raising activities, and they were hoping to raise a million dollars, and I think they probably succeeded in bringing in approximately $300,000, and so that was no reflection on their initiative or their energy, but I think it reflected the fierce competition of trying to get those few charitable dollars that were available out there.

SUPPORT FROM OTHER FEDERAL AGENCIES

Mr. SMITH. Now, you also get help from other agencies. Can you give us a thumb-nail sketch and then insert the details in the record of what other agencies support you and to what extent.

Mr. DAVIS. We could not operate given the limitations of budget with a minimal staff, so we have to get loan staff or volunteers from the federal government or city governments the religious community, labor organizations, colleges and universities or elsewhere.

Mr. SMITH. I am primarily interested right now in the Federal Government contribution.

Mr. DAVIS. In terms of the federal government, we have been able up to this point to achieve a good deal of cooperation in trying to maintain both a Washington presence for the Commission with housing that is made available by Secretary Kemp at HUD and in

Atlanta because of the history of the movement, the historical birthplace of Dr. King and the presence of Mrs. King

The King Center has provided us space there. Now, between the two offices, we have had as many as 15 federal employees, with a 90 percent turnover possible. In other words, the agencies make their employees available for different periods of time. It could be one week, two weeks, three weeks or more.

Mr. SMITH. Well, would you detail for the record the extent for which you receive resources from other federal agencies?

Mr. DAVIS. Right, sir, you will find that in our Arthur Anderson audit for the fiscal year 1989, all of those salaries and the figures that you have requested, and I will add to the available data for the record if necessary.

[The information follows:]

ATTACHMENT E
FINANCIAL AUDIT REPORT

ARTHUR ANDERSEN & CO.

1666 K STREET, N W
WASHINGTON, D C 20006
(202) 862-3100

Report of Independent Public Accountants

To the Commissioners and Officers of the

Martin Luther King, Jr. Federal Holiday Commission:

We have audited the accompanying balance sheet of the MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION (a Federal commission created by an Act of the U.S. Congress) as of February 28, 1989, and the related combining statements of support and revenue, expenses and changes in fund balance, and cash flows for the year then ended. We have previously audited and reported on the fiscal year 1988 financial statements. Our report on those financial statements, dated April 7, 1988, was unqualified. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Martin Luther King, Jr. Federal Holiday Commission as of February 28, 1989, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

Arthur Andersen & Co.

April 12, 1989 (except with respect to Note 1,
for which the date is May 17, 1989).

MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION

BALANCE SHEET

AS OF FEBRUARY 28, 1989, WITH COMPARATIVE TOTALS FOR FEBRUARY 29, 1988

(Note 1)

	1989			
	Operating Fund	Parade Fund	Total	1988 Total
ASSETS:				
Cash and cash equivalents	$5,805	$27,762	$33,567	$90,291
Pledge receivables	2,500	-	2,500	-
Other assets	-	-	-	630
Total assets	$8,305	$27,762	$36,067	$90,921
LIABILITIES AND FUND BALANCE:				
Accounts payable	$7,846	$ -	$ 7,846	$ 7,815
Fund balance (deficit)	459	27,762	28,221	83,106
Total liabilities and fund balance	$8,305	$27,762	$36,067	$90,921

The accompanying notes are an integral part of this balance sheet.

MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION

COMBINING STATEMENT OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED FEBRUARY 28, 1989,

WITH COMPARATIVE TOTALS FOR FEBRUARY 29, 1988

(Note 1)

	1989			
	Operating Fund	Parade Fund	Total	1988 Total
SUPPORT AND REVENUE				
Cash -				
Contributions				
Corporate	$ 21,000	$ 2,000	$ 23,000	$ 43,150
Foundations	21,172	-	21,172	10,000
City of Atlanta	-	-	-	57,240
Fulton County, Georgia	-	-	-	75,000
Other entities	9,520	5,773	15,293	48,419
Individuals	11,490	-	11,490	6,625
Meetings and conferences revenue	23,940	-	23,940	2,120
Interest income	1,291	2,478	3,769	1,042
Other revenue	52,602	-	52,602	72,196
Total support and revenue - Cash	141,015	10,251	151,266	315,792
In-kind contributions (Note 2)	484,998	-	484,998	687,522
Total support and revenue	626,013	10,251	636,264	1,003,314
PENSES				
Consulting fees	33,087	-	33,087	40,001
Salaries (Note 4)	10,000	-	10,000	48,974
Printing and graphics	18,259	-	18,259	31,457
Meetings and conferences	40,813	-	40,813	14,204
Travel	7,798	-	7,798	10,380
Office supplies expense	4,034	-	4,034	709
Parade expenses (Note 5)	-	77,003	77,003	57,551
Postage and shipping	2,972	-	2,972	6,495
Other	12,185	-	12,185	45,602
Total expenses paid by the Commission	129,148	77,003	206,151	255,373
In-kind services (Note 2)	484,998	-	484,998	687,522
Total expenses	614,146	77,003	691,149	942,895
Support and revenue in excess of (less than) expenses	11,867	(66,752)	(54,885)	60,419
FORGIVENESS OF REIMBURSABLE WAGES (Note 4)	-	-	-	65,713
INTERFUND TRANSFER	(11,500)	11,500	-	-
FUND BALANCE (DEFICIT), beginning of the year	92	83,014	83,106	(43,026)
FUND BALANCE, end of the year	$ 459	$ 27,762	$ 28,221	$ 83,106

The accompanying notes are an integral part of this statement.

INTERNATIONAL CELEBRATIONS

Mr. SMITH. Also, you have indicated that one of your priorities has been to encourage international observances. To what extent have you done that? How have you done it, and to what extent have you been successful?

Mrs. KING. Well, certainly the international celebrations have largely been persons who are with the military, stationed around the world. They always have celebrations because they are part of the United States, and there are some countries that automatically declared a holiday, but I do not recall all of them.

Mr. DAVIS. If I could just add a footnote. We have to rely on sources of information we have received through the United States Information Agency, State Department, the United Nations and other private sources to get a fix on the number. Our estimate is at least 100 nations in some manner are presently observing the holiday now.

I say in some manner, Mr. Chairman, because initially when we started out, a lot of those nations were observing the Holiday with embassy activities within the boundaries of the nation or at the Presidential Palace or where the seat of power was, but now we see that, as in South Africa for the first time, the people of South Africa, have expanded the Holiday observances over a period of six, seven, or eight days and made them nationwide. I guess we were fortunate to have something at the U.S. embassy in Pretoria or some of our outlets in Johannesburg.

But the information we get and we have to depend on is the feedback from the military, USIA, State Department, and others to establish the number of nations involved in observing the King holiday. Now, Mrs. King would like to see nations not simply remember, or celebrate the holiday, but to take actions to address the social concerns of Dr. King.

Mr. SMITH. Do you have a list of those?

Mr. DAVIS. They are in our annual report broken down by continent.

Mr. SMITH. I will have the staff work with you for this report, because I want these things pulled out and printed in the record.

[The information follows:]

The following is a partial listing of countries celebrating the 1989 Holiday

EUROPE

Austria
Belgium
Bulgaria
France
Greece
Holland
Hungary
Iceland
Ireland
Italy
Malta
Netherlands
Poland
Czechoslovakia
East Germany (GDR)
Finland
Norway
Portugal
Spain
Sweden
Switzerland
USSR
United Kingdom
West Germany (FRG)
Yugoslavia

FAR EAST/MIDDLE EAST/SOUTH ASIA

Australia
Bahrain
Bangladesh
Beijing (Peoples Republic of China)
Burma
Fiji Islands
Hong Kong
India
Indonesia
Israel
Japan
Jordan
Kuwait
Laos
Macau
Malaysia
Mauritius
New Zealand
Oman
Pakistan
Philippines
Qatar
Saudi Arabia
Seychelles
Singapore
South Korea
Sri Lanka
Syria Tibet
Turkey
United Arab Emirate
Yemen

NORTH AMERICA

Canada
Mexico

AFRICA

Algeria
Benin
Botswana
Burkinao Fasso
Burundi
Cameroon
Republic of Cape Verde
Central African Republic
Chad
People Republic of the Congo
Republic of Djibouti
Egypt
Ethiopia
Gineau-Bissau
Ivory Coast (Cote D'Ivoire)
Kenya
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania
Mauritius
Morocco
Mozambique
Niger
Republic of South Africa
Rwanda
Senegal Sierra
Leone
Somalia
Sudan
Swazilan
Tanzania
Togo
Tunisia
Uganda
Zaire
Zambia
Zimbabwe

LATIN AMERICA/CARRIBEAN

Antigua & Barbuda
Argentina
Bahamas
Barbados
Belize
Bermuda
Brazil
Chile
Cuba
Dominican Republic
El Salvador
Equador
Grenada
Guatemala
Guyana
Haiti
Honduras
Jamaica
Mexico
Panama
Paraguay
St. Kitts & Nevis
St. Lucia
Trinidad & Tobago
Uruguay
Venezuela

Mr. **Davis**. Right, sir. We are now preparing the report on the fifth holiday, which just occurred January 15th of 1990, and that data is still being collected, and will be made available to the Congress.

Mr. **Smith**. We are fortunate to have the Vice Chairman of the Commission on this subcommittee. Mr. Regula?

VOLUNTEERS AND EDUCATION

Mr. **Regula**. Thank you, Mr. Chairman. I have just a few comments and then questions. I think that Mrs. King probably underplayed the involvement of volunteers. I have been on the Commission by appointment of the Speaker since the inception and there has been an enormous amount of volunteer effort all across the nation that has made the work of the Commission a success.

Mrs. **King**. Absolutely.

Mr. **Regula**. Particularly in the education programs. I think the real important mission of the commission is to reach young people and explain to them the value of nonviolent change as a way of working within a democratic society. But in addition many of the celebrations in communities across the nation have been done by volunteers getting information from the Commission, so that has been an important element. Also the assistance from the federal agencies as was pointed out has been, I think, very effective, given the very limited resources.

It is amazing what was done for a five-year period without any federal funds and solely relying on contributions, but perhaps most importantly on the volunteer effort. It has been a very bipartisan commission. Presently, Chairman Lee Atwater from the Republican Party, and Chairman Ron Brown from the Democratic Party are both members of the commission, so the effort is to reach people in all walks of life with the message.

FOREIGN VISITORS

I have been rather fascinated by the impact of the holiday outside the United States. Mrs. King, how many visitors a year do you get in Atlanta at the center from foreign countries? Do you have an idea? I remember once the number of 30,000.

Mr. **Davis**. We started the practice in Freedom Hall, the International Conference facility, of placing a flag whenever we have a head of state or his or her equivalent visit. We now have approximately 71 flags. Now, its just heads of states or their equivalent that would merit us putting in our Freedom Hall International Conference Center the flag of their nation. Public visitations have now reached more than a million persons from the fifty states and around the world.

It is probably one of the most successful new parks in the National Park Service.

Mrs. **King**. We are the first attraction in Atlanta in terms of tourists. Ours is more than a tourist attraction because when you come there, you come to learn, to reflect, to renew and refresh your spirit and commitment to Dr. King's dream and life work.

Mr. **Regula**. It is a message.

Mrs. King. It is probably about the second major tourist attraction in Georgia by now.

Mr. Regula. There are a lot of foreign visitors.

Mrs. King. We don't have the exact count on the foreign visitors, but we get a constant flow of them. Many are not part of the official diplomatic corps for they are business people, and people from other levels of various governments on official visits. Some are just ordinary people who simply come to the center and the historic site.

The higher-level visitors usually ask for a tour or some service, and we try to provide that service to them. I think we do extraordinarily well because we have delegations, you know, sometimes two or three a day. Every week there are many delegations that we have to host.

HOLIDAY COMMISSION AND KING CENTER

Mr. Regula. Of course, these activities are not part of the Holiday Commission and are not part of the money that we appropriate. The Park Service has an element of involvement in that.

Mrs. King. We are located in the Martin Luther King, Jr., national historic site which encompasses approximately 23.6 acres. The whole site and larger historic preservation area covers the old Sweet Auburn Avenue, where Black Enterprise was born in Atlanta. The historic site includes Dr. King's birth home and, of course, King Center's Freedom Hall complex, which is the main part of the King Center, and also the community center complex across the street. When people come into the area, they are there to visit all of this. They learn about Dr. King's growing up and his childhood experiences, and then they learn from the films and the filmstrips and the program activities that we have at the King Center, and the Holiday Commission office is located in our facility on the site, the contributions of Dr. King to the Nation and world. The combination of the Center and the Commission working together has made for a much greater network of people out there who serve as volunteers, as you say, Congressman Regula, and who are carrying forth the message.

RACIAL HARMONY

It is really a tremendous thing to see the multi-racial, multi-cultural composition of people as they come and go, as I sit in my office, looking out the window and see what is happening.

I remember when we first moved into the complex in 1982, one day I saw a little group of children. They were really little, no more than probably first, second-graders, playing around the reflecting pool, and they were black and white, and naturally, I thought about my husband's statement and his dream. You have Asians and other racial and ethnic groups coming all the time, so many people—the rason it is hard to separate the center and the Commission is because it is Dr. King that the Holiday Commission is honoring, it is the King Center that is the official national and international living memorial, continuing his work through educaton, nonviolence training and research. The legislation for the historic site cites the King Center and it names Ebenezer Baptist

Church, Dr. King's spiritual home, it names the birth home, his birthplace and all of that, so all of this becomes of tremendous educational value to these young students who come regularly, and you see busloads coming to visit, classes coming long distances to spend a day.

It has gotten to be commonplace that when you see all of these different races, it is not something that is unusual. They visit the birth home, see the films and exhibits and all of this is having a tremendous impact on their lives.

HERO TO THE YOUNG

One final thing: I read about a study that has been made of a poll that was taken of high school honor students recently. I think it was carried in USA Today. It said that Dr. King is now the hero, the number one hero of these students, and that is very significant. Earlier, the Rolling Stone magazine published a survey that cited Dr. King as the number one hero of the baby boom generation—those between the ages 18 to 40.

Now, that is the case when we worry about the complacency and the indifference. What we need is more resources to really get to involve these youths and adults and to encourage them. Many of them don't even know what they can do to continue Dr. King's work. All of the efforts being done by the Federal Government are wonderful, but masses of people want to do things right in their own neighborhoods to solve problems. When they are exposed to sessions on Dr. King and training in non-violence, they begin to realize that its starts with them, and they do have a power which they can use, and they can work right in their own situations and begin to do something about the concerns that they have.

STATES OBSERVING THE HOLIDAY

Mr. DAVIS. Another footnote, Mr. Chairman. When we started back in 1984, preparing for the first holiday, we had only 17 States that observed the Federal holiday, and today we can safely say that all but five in some manner observe the holiday. When I say in some manner, for example, in Wyoming it was observed this year by proclamation of the Governor, and then he will now have to seek legislative authority to continue the State observance. It is remarkable that we have come so far in such a short period.

A week ago, my Catholic bishop friend in Rapid City, South Dakota, wrote Mrs. King that he was thoroughly discouraged that they had failed to get the enactment of a paid holiday in South Dakota. A week later, Bishop Charles Chaput, of the Catholic diocese of Rapid City, wrote her, indicating that the Council of Churches and the Native Americans and good and understanding people of South Dakota had rallied, and turned around the situation. They now have not only a paid holiday for Dr. King, but I believe they have become the first State to have a Native American Day, which is remarkable, and praise be to God that South Dakota has taken such an initiative.

TRIBUTE TO MRS. KING

Mr. REGULA. Just two comments, Mr. Chairman.

First of all, given the mission of the Holiday Commission, this is a very modest amount, and I think it is used carefully because the task of education particularly is enormous, and secondly, Mrs. King is too modest in describing her own role as the individual that has carried on the tradition of Dr. King. She has done a wonderful job traveling throughout the United States and overseas in carrying out the message of non-violent change, and she certainly has been a great ambassador on behalf of our Nation and on behalf of that cause.

Mrs. **King**. Thank you.

Mr. **Smith**. Mr. Kolbe?

ARIZONA

Mr. **Kolbe**. Thank you, Mr. Chairman.

Mrs. King, Mr. Davis, I appreciate your being here today, and I certainly appreciate the very eloquent statement, Mrs. King, that you made. It was a very poignant plea, I think, for racial harmony and for non-violence in our country. I come from Arizona, one of those States, unfortunately, that does not recognize the King Holiday, and I think you are aware of the very painful and difficult experience that has been for some of us in Arizona.

One can only hope that out of this in my State will come some good. Hopefully, in the end, there will be better understanding of the need for the principles that Dr. King stood for. Whatever the outcome of our debate and our support in Arizona to create a full holiday honoring Dr. King and what he stood for, whatever the outcome of that debate in our State, I think that with or without a paid holiday, the need for promoting the principles that Dr. King stood for, the principles of peace, of non-violence, of racial understanding, continue to exist.

We are made aware every day of the fact—tragically—that discrimination and racial bias continue to exist in this country, and we have been made painfully aware in the last few weeks and months of how violence can rise up in our own midst here with tragic consequences. So I commend the work that you and the Commission are doing to promote these principles of better understanding, and I want to say that I will certainly do everything I can, both in my State and here in the Congress of the United States to help support the work of the Commission.

STAFFING

I would like to ask just one question, if I might. Realizing that this is the first year, 1990, of the Federal funding for the Commission, you did not have Federally paid employees on the staff before that time. I am wondering about your staffing at this point. You show that in the 1990 fiscal year, you will have four employees. Are you at that level now?

Mr. **Davis**. No, we are not, sir. Right now, we have two employees on board.

Mr. **Kolbe**. What are your intentions about getting the others?

Mr. **Davis**. Part of the difficulty, as Mrs. King cited, is the limitation of the basic legislation which restricts us to a level of GS-13 other than for the Executive Director, in our hiring of staff. In the

Washington area, we have got other agencies that good people can turn to. We have lost a couple of excellent candidates because of the GS-13 limitation.

I hope that we can staff up with four people before the end of the fiscal year. We are only authorized five perons. We have two presently, and we are striving to find the additional two who can bring us competence, professonalism and commitment.

Mr. **Kolbe**. What are the positions that you would be filling, and what would those positions be?

Mr. **Davis**. I would think under the circumstances, that at the moment, you always have that pressing need for clerical support staff, and it is no longer in this computer age just the ability of a secretary to type, you have to be a master of all of the computers and complex machinery that represents our age, but we do have, both in Atlanta and in Washington, a desperate need for a couple of good clerical professionals, that we may have to forego appointing some other people until we can fill that need, since our ability to respond to the thousands of requests is based on that.

REQUESTS FOR INFORMATION AND ASSISTANCE

Mr. **Kolbe**. How do you handle requests from communities or states or organizations that want help in establishing a Martin Luther King program, appropriate events and programs around the holiday? You don't have any staff, I take it, in the position that can travel to that State?

Mr. **Davis**. First of all, we have a package of literature we prepared, guidelines for businesses that want to participate, or religious institutions that want to participate, or labor organizations or schools, we have quite an extensive document for teachers to impart Dr. King's teachings and so forth, so we have a library of printed materials, informal guidelines and standards available for the public. Additionally, thanks to you Members of Congress, we now have some travel funds that will allow Mrs. King, who has had to use up to now, scarce money from the King Center, to begin to do much more traveling to the states that need her presence and inspiration and direction and guidance, and it also frees me up to travel more extensively.

I was just in Phoenix, Mrs. King sent me there to represent her at the YWCA Convocation on Racial Justice, and while there, I had the opportunity to meet many of the business, religious and government leaders that have been active in the pursuit of the King Holiday legislation. I'm convinced that the good people of Arizona are going to get together and find a solution to enacting the King Holiday which everyone can live with.

Mr. **Kolbe**. I hope so. I appreciate your efforts to assist us.

Thank you, Mr. Chairman.

Mr. **Smith** Thank you.

Mrs. **King**. Thank you very much.

[The following questions were submitted to be answered for the record:]

THE MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION
RESPONSES TO THE QUESTIONS ASKED BY THE SUBCOMMITTEE ON COMMERCE,
JUSTICE, STATE, THE JUDICIARY AND RELATED AGENCIES
HOUSE COMMITTEE ON APPROPRIATIONS

Commission Accomplishments

Question 1

Would you briefly summarize the activities of the Commission and the Commission's specific accomplishments during fiscal year 1989 and to date in 1990.

1989

The Commission was deeply moved to see the Fourth King Holiday support increased by millions of Americans and peoples around the world. We were also pleased to see the Federal Holiday developing its own unique character and substance as an event and as an occasion for Americans and other peoples of good will to join together in personal commitment to Dr. Kings philosophy of nonviolence as a way of life.

The United Nations also observes the King Holiday. On September 19, 1989, then Secretary of State George Shultz hosted a meeting of the Washington, D.C. Diplomatic Corps (130 ambassadors) to enlist their support for the international observance of King Holiday. At that meeting he spoke of the relevancy of Dr. King's teachings to the practice of diplomacy, and urged them to use King's philosophy and teachings to promote the resolution of conflict, violence, and war.

Internationally, we see the embracing of Dr. King's Holiday and teachings in the remarkable success of nonviolent freedom movements begun in 1989 and continuing today in Hungary, Poland, Czechoslovakia, Brazil, Chile, Namibia, South Africa, China and even the Soviet Union.

Domestically, forty-four states and all U.S. territories now observe the King Holiday as not simply a "black holiday," but one transcending race, ethnic and cultural heritage, economic status, and even geographical boundaries. Even Wall Street observed a moment of silence on the Holiday honoring Dr. King.

More than thirty five states have Martin Luther King, Jr. State Holiday Commissions appointed by their Governors. For the first Holiday in January, 1986, there were only a limited number established and functioning. The Commission has now established a Council of State Holiday Commissions and an Assembly of Local Holiday Commissions for cities, counties and smaller jurisdictions. The Commission works through its state and local networks to involve more Americans in the annual observance of Dr. King's holiday.

New York State Legislature made the N.Y. State Martin Luther King, Jr. Holiday Commission permanent with an annual budget of $800,000. The Legislature also established a permanent Martin Luther King, Jr. Institute for Nonviolence, to educate New Yorkers in the practical application of Dr. King's philosophy of nonviolence. The Institute has an annual budget of more than a million dollars and, like the State Commission, has supported the Federal Commission's programs and activities.

New Jersey also has a permanent Martin Luther King, Jr. State Holiday Commission that has a budget and a full time staff. They too have worked closely with the Federal Commission and supported its programs and activities.

The states which do not observe the Holiday are Arizona, New Hampshire, Idaho, Montana and Wyoming. Even though Wyoming observed the Holiday for the first time in 1990 (by a 1989 proclamation of the governor), they have no observance plans for 1991. South Dakota not only made the King Holiday a paid state holiday but became the first state to also observe an official "Native American Holiday."

The Commission's report to the President and the Congress on the results of the Fourth National Holiday in honor of Dr. King (copy attached) reflects celebrations, observances and Martin Luther King, Jr. Heritage Action projects that address problems of drugs, homelessness, unemployment, crime, family violence, and related issues.

The Commission's Youth Committee sponsored its second annual "Living The Dream" Youth Assembly in Atlanta with more than 300 participants from the nation's major national youth organizations. The youth spent the weekend show-casing their expressions of "Living the Dream" via the arts (painting, music, speech, dance, writing, photography), performing in their own original productions, and learning about each other. They also attended seminars and workshops on community service, value enhancement and how to apply Dr. King's teachings in their lives."

The Commission's National Educational Committee continues to distribute its Learn-A-Bration and other instructional materials on Dr. King to hundreds of schools systems across the nation and to encourage school participation in January Martin Luther King, Jr. Teach-in-Day programs. The Committee is making plans for its third national educational conference in May, 1990 in Washington D.C. This time administrators, faculty, students and parents, as well as professional organizations, will be involved.

Each of the Commission's National Committees conducted at least one major activity during the annual holiday celebration and observance directed at its particular constituencies. These committees are Labor, Library, College and University, Fraternal, Sororal and Professional Associations, Religious Involvement, Military, Federal Agencies, International, Civil and Human rights, Peace and Justice. These activities are detailed in the Commission's Report to the President and Congress on the results of the Fourth National Holiday.

Holiday information

In 1989 the Commission:

Designed, printed and distributed 100,000 "Let Freedom Ring" posters.

Designed, printed and distributed 120,000 Freedom Trail poster maps and holiday guides, many of them personalized to carry a message (for example from the Secretary of Defense or Governor).

Designed, printed and distributed 20,000 copies of its quarterly newsletter "Living the Dream", which highlights current holiday developments in the United States and other nations around the world.

Developed its Martin Luther King, Jr. International Heritage Action Project Guidelines in cooperation with the, U.S. Department of State, United States Information Agency, and other agencies, as a guide for nations interested in using Dr. King's nonviolence methods and teachings to address social and economic problems on their own.

Responded to public inquiries on the National Holiday in Washington, D.C. and Atlanta: By phone 2,500, by correspondence, 3,500 and in personal visits, 1,200.

Provided technical assistance and staff support to those states observing the King Holiday as well as to U.S. territories, Federal agencies, the military, international private organizations, nongovernmental organizational members of the United Nations and others. This included the sponsorship of a national planning conference.

The Commission continued to serve as a clearing house for the national and international press on the observance of the Holiday and expected activities in the states and around the world.

Specific guidelines and other publications are cited in the Commission's Report on the Results of the Fourth National Holiday.

The Commission provided oversight to assure that the Holiday was being properly observed and not exploited for partisan or other purposes.

MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED FEBRUARY 28, 1989,

WITH COMPARATIVE TOTALS FOR FEBRUARY 29, 1988

(Note 1)

	1989			1988
	Operating Fund	Parade Fund	Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Revenues in excess of (less than) expenses	$ 11,867	$(66,752)	$(54,885)	$126,132
Adjustments to reconcile revenues in excess of (less than) expenses to net cash provided by operating activities -				
Increase in pledge receivables	(2,500)	-	(2,500)	-
Decrease in other assets	630	-	630	6,543
Increase (decrease) in accounts payable	31	-	31	(57,467)
Total adjustments	(1,839)	-	(1,839)	(50,924)
Net cash flows provided by (used in) operating activities	10,028	(66,752)	(56,724)	75,208
CASH FLOWS FROM FINANCING ACTIVITY - Interfund transfer	(11,500)	11,500	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,472)	(55,252)	(56,724)	75,208
CASH AND CASH EQUIVALENTS, beginning of year	7,277	83,014	90,291	15,083
CASH AND CASH EQUIVALENTS, end of year	$ 5,805	$ 27,762	$ 33,567	$ 90,291

The accompanying notes are an integral part of this statement.

Obtained the cooperation of the Atlanta Chamber of Commerce in surveying its membership to determine their support of the King Holiday and how the Commission might be more helpful to business. More businesses began to use the King Holiday to encourage support for the United Negro College Fund, national Hispanic organizations, Native American groups, the homeless, and others. To cite a few: Coca Cola, Pepsi Cola, Burger King and McDonald's.

The Congress extended the life of the Federal Commission through April 20, 1994 and provided it with its first Federal funds in the amount of $300,000 for each of its five fiscal years. President George Bush signed the legislation at special White House Ceremonies in May, 1989.

1990

The Commission is presently collecting data on the results of the Fifth Martin Luther King, Jr. Federal Holiday (Monday, January 15, 1990) for its annual report to the President and Congress of the United States. It appears to have been the largest and most successful to date. President Bush used the occasion of the Holiday to speak out against the forces of racial and religious hatred and violence and to call upon all Americans and peoples of goodwill the world over to support the legacy and unfinished work of Dr. King.

More than 3.5 million persons in 72 countries viewed the Commission's official National King Parade and March of Celebration in Atlanta via live television coverage by the Turner Broadcasting System and the Armed Forces Network. Shen Tong, student leader of the Pro-Democracy Movement in China, served as the International Grand Marshal, Mrs. Sammy Davis, Jr., as Grand Marshal, General Edwin Burba, Jr, Commander in Chief, U.S. Army Forces Command, as Honorary Grand Marshal.

The Commission sponsored its first annual meeting at the United States Supreme Court on Monday January 8, 1990. Justices Brennan and Kennedy spoke at the meeting.

President George Bush named four Presidential appointees to the Martin Luther King, Jr. Federal Holiday Commission. They are the: Honorable William J. Bennett, Honarable Lauro F. Cavazos, Honorable Constance Berry Newman, and Honorable Jack Kemp.

New Congressional appointees include: Congressman Alan Wheat, Congressman James A. Courter, Senator John C. Danforth, Congressman Thomas C. Sawyer.

The Commission hired its first two employees: Jerry Jairrels as

Administrative Officer (D.C.) and Alan Minton as Special Assistant to the Executive Director (Atlanta.)

Secretary of Housing and Urban Development, Jack Kemp, represented President Bush at National King Week activities in Atlanta. FBI Director William Sessions and his wife were honored guests for the Monday, January 15, 1990 holiday celebrations.

Dr. James Farmer, veteran civil rights leader, presided over the Commission's annual U.S. Liberty Bell ceremonies at Independence Hall in Philadelphia.

Reverend Jesse Jackson, along with the leadership of all major religious faith communities, participated in the Commission's first annual International Prayer Breakfast at the Washington (D.C.) Hilton on Monday, January 15, 1990. Many ambassadors to the United States were in attendance including the ambassador from the Republic of South Africa.

More than 400 student leaders attended the Annual National College and University Student Conference in Atlanta during the week of January 8, 1990.

Ambassador Thomas R. Pickering, with the support of Secretary of State, James Baker III, sponsored a reception in honor of Dr. King for staff and member nations of the United Nations at the U.S. Mission in New York on January 17, 1990.

Arizona put the King Holiday on hold pending a referendum in November, 1990. At issue is the substitution of the King Holiday for Columbus Day. Efforts will be made to restore both. Twenty thousand persons marched in support of the King Holiday in Phoenix.

David L. Wolper, member of the Board of Directors of the Martin Luther King, Jr. Federal Holiday Corporation, released his NBC television network production of "Murder in Mississippi" on February 5, 1990. Previously, there had been selected showings across the nation during the holiday observance. The fact-based drama focused upon the "Freedom Summer" voter registration efforts in Mississippi and the murder of James Chaney, Andrew Goodman and Mickey Schwerner.

All races joined in the largest celebration of Dr. King's holiday in the history of the Republic South Africa. The Commission was consulted on the appropriateness of the events.

The Civil Rights Memorial was dedicated on Sunday November 5, 1989 in Montgomery, Alabama - the birthplace of the U.S. Civil Rights Movement - the Memorial honors those who died during the struggle for equality and highlights key events from the era. The Memorial was sponsored by the Southern Poverty Law Center and designed by Maya Lin, who also designed the Vietnam Veterans Memorial in Washington, D.C. It will become the site for the

Commission's annual Peace and Justice Observance and its new Atlanta to Selma Freedom Relay Run.

The U.S. Department of Agriculture will provide the Commission with professional staff skilled in the development of strategic planning so that the Commission will have specific objectives and goals to achieve by April 20, 1994 when it technically expires. The Department has also secured the services of Dr. Nicky Jefferson of Lincoln University, a specialist in youth organization, to assist the Commission with its National Youth Committee annual "I Have A Dream Youth Assembly."

Question 2

The current fiscal year, 1990, is the first for which your Commission has received direct Federal Funds. How has the Commission been supported in previous years? What additional activities will the Commission be able to accomplish this year with these funds?

When the Commission was established in 1984, members of the Congress believed that the Commission should not request federal funds and that it could provide for its needs through public donations to meet its initial budget projection of 2 million dollars. The Commission had to raise the money for the first holiday honoring Dr. King (January 20, 1986), but was unable to secure persons to staff either a Finance Committee or Business and Industry Committee, which, in addition to soliciting funds from businesses, could also encourage them to use their marketing, promotion, advertising and product sales to support the Holiday. Five years later the Commission is again attempting to establish a Finance Committee headed by Congressman Thomas C. Sawyer of Ohio. We are still seeking a business person to help organize a Business and Industry Committee.

As Founding President and Chief Executive Officer of the Martin Luther King, Jr. Center for Nonviolent Social Change, Inc., in Atlanta, Mrs. Coretta Scott King found it impossible to solicit funds both for The King Center and the Federal Commission. The Center has an annual budget in excess of 3 million dollars and no endowment. In addition to its programs, operations, security, maintenance, landscaping and other demands, it must service more than one million visitors per year.

In 1986, Senator Majority Leader, Robert Dole; Chairman of the Dupont Corporation, Edward Jefferson; and former U.S. Attorney General and President of the University of Chicago, Edward Levy, personally solicited financial assistance for the Commission. The budget was scaled back to one million dollars with the expectation that such a sum could be easily raised. The combined efforts of Senator Dole, Mr. Jefferson and Dr. Levy produced approximately $300,000. The Commission was never able to equal this amount of private sector support, given the competition for scarce corporate and foundation funding by established charities. The Arthur Andersen Company has provided pro-bono audit support; the Law Firm of Cadwalader, Wickersham & Taft, legal pro-bono support and Ofield Dukes and David Apter and Associates, pro-bono public relations support. Funds for the Commission's official national Parade and March of Celebration have been raised independently and entirely within Atlanta and Fulton County, Georgia.

A few Commissioners and select staff, have been required to help solicit public dollars, in-kind services and other resources to keep the Commission in business. The Commission could not have existed these past five years without the support of the Department of Housing and Urban Development which has provided rental space and additional support in Washington D.C. The King Center has assisted by assuming the cost, at great sacrifice, for the salary of the Executive Director, clerical support in Atlanta, office space, telephones, supplies and equipment, travel for Mrs. King and other staff, etc.

In addition to The King Center and other in-kind services, loan staff from federal agencies have been a major source of support for the continued existence and work of the Federal Commission. The Commission requires staff to service more than 18 national committees, more than thirty-five State Holiday Commissions, hundreds of city and local commissions and committees. The Commission is also responsible for conducting orientation and training programs, special events, and provide support in the design, production, and distribution of Holiday information, instructional materials and guidelines. The international aspects of the Holiday continue to grow, placing additional burdens upon staff. The difficulty with Federal loan staff is that it is a tentative arrangement causing a high degree of turnover. Also, many Federal agencies do not send their most capable personnel for detail to the Commission.

The three hundred thousand dollars funded by the Congress for FY-1990 provides the only financial stability and sense of continuity which the Commission has enjoyed in its five years of existence.

The funds provide for travel reimbursement for some permanent Commission staff, travel for the Chairperson, and even for some of the Commissioners requiring financial assistence to attend at least two of the quarterly scheduled meetings. In the past, Commission meetings have not been well attended by Commissioners, due in part to financial hardships.

The funds will be used to hold at least one information and planning conference to prepare for the 1991 observances of the Holiday and to modestly support the Commission's sponsorship of the following annual activities:

A. The "Living The Dream Youth Assembly."
B. The National Parade and March of Celebration.
C. The Ecumenical Prayer Breakfast in Washington, D.C.
D. The Liberty Bell Ceremony at Independence Hall (Philadelphia, Pennsylvania).

In addition, it will provide the Commission with the opportunity to explore several new program initiatives to enhance the public's awareness of the Holiday:

(A) A Peace and Justice commemorative ceremony at the new Civil Rights Memorial in Montgomery, Alabama.
(B) Sponsorship of a Selma to Atlanta Relay by an interracial group of runners carrying the "Baton of Nonviolence." The route would include the Civil Rights Movement's

historically sites such as Selma, Montgomery, Birmingham, and the Edmund Pettus Bridge.

(C) A celebrity event in Los Angeles, California.

The 1991 funds will also enable the Commission to take advantage of the pro-bono services of Dr. Nicky Jefferson, Lincoln University (Pennsylvania). He will develop a more viable National Youth Committee and a financial base of support for the annual Youth Assembly. The Commission will be paying only for Dr. Jefferson's monthly housing and food expenses.

The U.S. Department of Agriculture's Extension Service and the 4-H Clubs have been very supportive of the national youth organizations. The DOA will welcome this special attention to the youth work of the Commission and in turn will make professional staff available to the Commission to assist it with strategic planning to develop specific and measurable objectives and goals to reach by April 20, 1994 (the legislative expiration date of the Commission).

PROPOSED BUDGET FOR FY-1991

Question 1

Your budget request for fiscal year 1991 is for $300,000, the level of funding appropriated for fiscal year 1990. Do you consider this to be an adequate level of Federal support for the Commission. If not, what do you see as a more reasonable annual budget.

The legislation that extends the life of the Commission through April 20, 1994 and limits its authorization to $300,000 is totally inadequate. Inadequate, to sustain five full time staff members including its own Executive Director; conduct programs, provide technical assistance, support, and coordination for public and private organizations and institutions, design and produce information and educational materials, conduct orientation and planning conferences, undertake special events to enhance public awareness of the annual Holiday, service the network of committees and commissions and address the increasingly international aspect of the Holiday. The Commission is required to maintain a presence in Atlanta and in Washington D.C. In Atlanta because it is the birth and resting place of Dr. King, the location of the Martin Luther King, Jr. National Historic Site, the home of The King Center, the residence of its Chairperson, Mrs. Coretta Scott King, and other members of the family, and its inescapable relationship to the U.S. civil rights movement which Dr. King led.

Additionally, the legislation establishing the Federal Commission provides for Commissioners (forty in number), to be reimbursed for travel expenses incurred while acting in an official Commission capacity. The legislation also requires that Commissioners "should represent diverse interest groups." Many Commissioners simply cannot afford travel and related costs associated with the work of the Commission and consequently, their ability to attend meetings and actively participate in the affairs of the Commission is seriously impeded. The Commission conducts four meetings a year including its annual meeting in January. Persons serving on various committees face the same difficulty in meeting rising transportation and related costs, thereby also impeding their ability to perform effectively and efficiently as volunteers. While the authorization to pay for these trips exist, other priorities preclude the funding them except on a very limited basis.

The House of Representatives voted to provide the Commission with $500,000 in authorized annual funding and a permanent status. The Commission should be provided with a minimal authorization of one million dollars annually and it should be made permanent. Additional funding for the King Holiday and the Federal Commission would be one of the most cost-effective investment our government could make toward securing better race and ethic relations, international cooperation and a high level of national unity and brother and sisterhood. It would also promote the ideals of Dr. King's nonviolence and peaceful conflict resolution, which are so desperately needed to off-set the epidemic violence that is threatening communities in every congressional district.

OTHER SUPPORT FOR THE COMMISSION

Question 1.

What other agencies of the Federal Government provide support for the Commission? Please list for the record those agencies and the type and amount of such support, including staff and other assistance.

The legislation establishing the Federal Holiday Commission in 1984 mandated that all "expenditures be made from donated funds". The legislation also provided that "upon the request of the Commission, the head of any department or agency of the United States may detail, on a nonreimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its responsibilities."

Since the first Federal Holiday in 1986, federal agencies have provided loan staff to the Commission except for its Executive Director (as of April 10, 1989) on a nonreimbursable basis. The in-kind services detailed in the Arthur Andersen & Company annual audits, represent the salaries exclusive of fringe benefits. The value of these services by Arthur Andersen and Company for the fiscal years ending February 28, 1989, and February 29, 1988, was approximately $417,000 and $574,000 in the Washington, D.C. office, respectively. For the same years is was approximately $68,000 and $113,000 in the Atlanta office.

In addition to the above, Arthur Andersen reports that the Commission was provided office space, furniture and equipment for both its Washington, D.C., and Atlanta offices. These were also provided on a nonreimbursable basis by agencies of the Federal government and are not reflected in Arthur Andersen's accompanying financial statements.

Arthur Andersen reported that the Commission also received donated services from various other private sector sources including legal, accounting, audit, and miscellaneous others whose value was not reflected in the report since they could not be objectively measured or evaluated.

Question 2.

Your authorizing legislation provides the Commission with the authority to seek public financial donations. Have you been successful in securing such donations. To what extent does the ability to raise such funds impact your requirement for continued federal funding?

The Holiday 1990 budget provides for $300,000 in Federal funds and another $50,000 to be raised through public donations, if possible. Congressman Thomas Sawyer of Ohio has agreed to chair and to assist with the organization of the Commission's first Finance Committee. This will be a priority activity for 1990.

The competition for private dollars from businesses, foundations, labor organizations and others, remains fierce. The Commission also finds itself in competition with The King Center, The Southern Christian Leadership Conference (which Dr. King led) and other organizations claiming equal rights to continue his work and to participate in his Federal Holiday with programs of their own. The King Holiday remains controversial (less so with each passing year) and does not yet enjoy a reasonable level of support from the American business community. Many business persons see the work of the Commission being a responsibility of the federal government and not the private sector.

INTERNATIONAL INVOLVEMENT WITH THE KING HOLIDAY

Question 1

Your Budget justification indicates that one of your fiscal year 1990 and 1991 priorities is to encourage international observances of the Holiday. How are you accomplishing this goal.

President Bush and others have commented that today men and women everywhere are laying claim to Dr. King's legacy and that around the globe we see a powerful impulse toward democratic institutions and values inspired by his legacy and teachings. We see many more nations embracing the King Holiday and through it Dr. King's nonviolence teachings. In each of these nations, and indeed whenever the struggle for democracy and human rights is waged, the memory of Martin Luther King, Jr. is revered. For he taught that power does not come from the barrel of a gun, but from adherence to moral principles. Dr. King showed the world that conflict can be resolved through reason and that significant change can come without bloodshed.

The Commission has enjoyed the support of the White House, U.S. Department of State, United States Information Agency, Agency for International Development, and the Armed Forces in encouraging King Holiday observances and events around the world. Receptions and briefings for Washington, D.C. and United Nations Diplomatic Corps have proved to be valuable in conveying to representatives of other governments, the value of Dr. King's work and its ability to transcend race, cultures and even national boundaries.

For the past year, staff of the Department of State, American International Development, the United Nations Development Program, the Organization of American States, the World Bank, the United States Information Agency among others, have explored a means for adapting the Commission's Martin Luther King, Jr. Heritage Action Projects to the international arena (as a voluntary program). The first guidelines for this project have been completed and a copy is attached. The voluntary implementation of these guidelines by governments will help to make the King Holiday more than a mere celebration or observance, but a means of correcting social problems common to all societies, through peaceful and nonviolent means.

The Commission would like to be more helpful to foreign governments and provide a timely response to their requests for speakers, technical assistance, guidance, support, and literature. Therefore, the Commission will seek to continue the receptions and briefings for the Diplomatic Corps in Washington D.C. and New York. It will continue to utilize the Voice of America, Armed Forces radio and TV networks, and news publications in the dissemination of educational information on Dr. King's teachings and work. Mrs. King, in order to encourage greater and more substative support for the King Holiday, will continue to brief members of the Foreign Press Association, hold personal interviews, travel and host the foreign heads of state and others visiting The King Center.

The Commission will continue its annual call for Dr. King's Holiday to be a day of universal peace and nonviolence proclaimed around the world. This will be signified by the ringing of the U.S. Liberty and Independence Bells in Philadelphia at 12:30 p.m. eastern standard time. This ceremony is to be duplicated with the ringing of the replica Liberty Bells in the fifty states, Big Ben in London, the Vatican bells, and other bells around the world.

SUPPLEMENTAL DATA

OTHER SUPPORT FOR COMMISSION
(PAGES 10-11)

PUBLIC CONTRIBUTIONS

	TOTAL REVENUE	RESTRICTED FUNDS FOR PARADE RAISED IN ATLANTA	GENERAL PUBLIC CONTRIBUTIONS
1986	$ 394,454	45,000	349,454
1987	220,706	45,000	175,706
1988	315,792	132,240	183,552
1989	151,266	10,251	141,015

SOURCE: AUDITOR'S REPORT, ARTHUR ANDERSON & CO.

NOTE: 1989 AUDIT PERIOD IS INCOMPLETE (THROUGH 2/28/89)

IN-KIND SUPPORT TO THE COMMISSION

Loan Staff Resources: Washington Office

Agency	1989	1988
Treasury	$ 37,646	$ 35,825
Labor	106,524	137,036
HUD	8,756	22,847
State Department	18,545	31,718
Education	73,400	-0-
NIH	45,642	51,456
GSA	35,432	20,417
OPM	10,981	64,697
AID	67,000	36,167
Energy	8,305	104,987
DOT	4,536	-0-
DEA	-0-	6,551
USIA	-0-	37,250
VA	-0-	2,184
USDA	-0-	8,303
Defense		15,000
Totals	$ 416,767	$ 574,438

Loan Staff Resources: Atlanta Office

Agency	1989	1988
Labor	$ 19,923	$ 21,847
SSA	4,025	-0-
City of Atlanta	10,613	-0-
HHS	12,683	5,543
IRS	15,820	-0-
USDA	5,167	4,544
Defense	-0-	66,126
Treasury	-0-	10,836
NRC	-0-	4,218
Total	$ 68,231	$ 113,114

February 15, 1990

In addition to loan staff resources, the following In-kind administrative services were provided:

Printing and Graphics:

Agency	1989	1988
Justice	$ 2,369	$ -0-
Transportation	-0-	1,500
Agriculture Dept.	3,750	3,750
Defense	12,000	12,000
Total	$18,119	$17,250
Office Space:		
HUD	$50,000	$50,000
Furniture & Equip:		
HUD	$67,881	$67,881

International Guidelines for the

MARTIN LUTHER KING, JR. HERITAGE ACTION PROJECTS

A. Introduction

This paper reflects the cultural diversity, multi-ethnic systems, and national development embodied in the life and legacy of 1964 Nobel Peace Prize laureate Dr. Martin Luther King, Jr. Thus, the international community approached include: the United States Department of State, the Agency for International Development, the United Nations Development Program, the Organization of American States, the World Bank, the United States Information Agency among others directly involved in socio-economic development.

B. Background

The United States National Holiday in honor of Dr. Martin Luther King, Jr. has become international because of the great respect in which Dr. King was held throughout the world. The Holiday thus offers a global opportunity for people of good will to forge new commitments to Dr. King's Philosophy of Nonviolence or "Kingian Nonviolence."

C. Purpose

The Martin Luther King, Jr. Federal Holiday Commission is encouraging people throughout the world to make sincere commitments to help the disavantaged and to apply the Principles of Nonviolence to domestic and international relations by estalishing Heritage Action Projects (HAP). The King Commission proposes to use these projects to further institutionalize the life and legacy of Dr. King.

D. Sponsorship

The Martin Luther King, Jr. International Heritage Action Projects may be undertaken by governments, institutions, organizations or other local, regional, or national institutions and organizations in each host country may determine its own project(s) within its history, population, resources and capabilities; Heritage Action Projects may include, but not limited to, the following subjects or topics:

1. establishing equal opportunities for all citizens;
2. alleviation of hunger and poverty;
3. promotion of public health and human services within the countries and regions;
4. promotion of international understanding among ethnic groups and nations;

5. promote the resolution of national and regional conflicts by nonviolent means; and,

6. establish cultural exchange programs between host country and the Martin Luther King, Jr. Center for Nonviolent Social Change, Inc.

The long-term goal is to achieve, through the application of Dr. King's philosophy of creative nonviolence, the truely beloved community in the world.

E. Heritage Action Project Objectives

The Heritage Action Project objectives are to identify, implement and evaluate a social, economic or regional problem and seek its solution through creative nonviolent initiatives.

F. Project Design

Each project design should:

1. Bear the named "MARTIN LUTHER KING, JR. INTERNATIONAL HERITAGE ACTION PROJECT" (insert subject to be addressed).

2. Be linked to the annual observance of the King Brithday Holiday.

3. Be planned to achieve measurable and lasting results within a specific time period.

4. Be set-up for wide disemination and should encourage replication.

5. Be desribed to include the following information relating to projects:

   a. name of project
   b. sponsor(s)
   c. project(s) description/objectives
   d. specific actions planned
   e. cooperating group(s), organization(s) and/or individual(s)
   f. contact person(s) (name, address, telephone number)

6. A copy of the action plan for the project should be sent by registered mail to the United State Information Service (USIS) in your country for transmittal to The Martin Luther King, Jr. Federal Holiday Commission, 451 7th Street, S.W., Washington, D.C. 20410 or phone (202) 755 1005.

TUESDAY, FEBRUARY 6, 1990.

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

WITNESSES

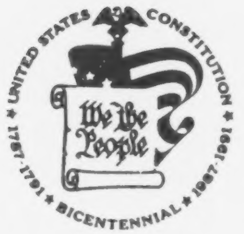
WARREN E. BURGER, CHAIRMAN

HERBERT M. ATHERTON, ACTING STAFF DIRECTOR

COLONEL PATRICK B. O'MEARA, U.S. ARMY, DIRECTOR FOR ADMINISTRATION

Mr. SMITH. This morning we have the Bicentennial Commission, and their request for fiscal year 1991 is $16,884,000. We are pleased to have with us former Chief Justice of the Supreme Court, Chief Justice Burger. We will insert the budget justifications submitted in support of this request at this point in the record.

[The budget justifications follow:]



Commission on the Bicentennial of the United States Constitution

TABLE OF CONTENTS

COMMISSION REQUEST

Summary and Highlight Statement

Budget Justifications

Program and Financing Schedule

Schedule of Objective Classification

Personnel Summary

Summary of Budget Authority and Outlays

Detail of Permanent Positions

Summary Figures

FY 91 Projects

OMB FY 91 PASSBACK

BA FREEZE

Same sequence as above

5% BELOW FREEZE

Same sequence as above

Commission on the Bicentennial of
The United States Constitution

808 17th Street, N.W. • Washington, D.C. 20006
(202)USA-1787 • FAX (202)653-5219
TDD (202)653-7471

September 1, 1989

Warren E. Burger
Chairman
Frederick K. Biebel
Lindy Boggs
Herbert Brownell
Lynne V. Cheney
Philip M. Crane
Dennis DeConcini
William J. Green
Edward Victor Hill
Cornelia G. Kennedy
Edward M. Kennedy
Harry McKinley Lightsey Jr
William Lucas
Betty Southard Murphy
Thomas H. O'Connor
Phyllis Schlafly
Bernard H. Siegan
Ted Stevens
Obert C. Tanner
Strom Thurmond
Ronald H. Walker
Charles E. Wiggins
Charles Alan Wright
Ronald L. Trowbridge
Staff Director

The Honorable Richard Darman
Director, Office of Management and Budget
Executive Office Building
Washington, D.C. 20503

Dear Mr. Darman:

Enclosed is the Fiscal Year 1991 Budget Request for the Commission on the Bicentennial of the United States Constitution. By law, the Commission will terminate on December 31, 1991 and in agreement with your staff this request covers the period October 1, 1990 through December 31, 1991. This five-quarter fiscal year budget has been coordinated with Congressional staff and in light of the fact that the Commission is funded with no-year appropriations, there is agreement that this procedure is the most efficient method for handling the Commission's last budget submission. Initial submission requirements as outlined in OMB Circular A11 are included.

The last year of the Commission will conclude with an appropriate celebration of the Bill of Rights and the Amendments. This culmination of the Bicentennial provides all Americans with an opportunity to reflect on the significance and origins of the freedom we enjoy and to commit ourselves to exercising the civic responsibilities required to sustain our constitutional systems. The occasion will also lead to welcomed discussions and debates on the principles upon which our republican form of government rests.

The overwhelming response of the American people to our bicentennial programs has been heartening and supports the belief that the best defense of our nation's liberties is the prevention of their erosion through ignorance. To this end, the final year's culmination of the Commission's efforts will focus on the content and meaning of the Bill of Rights and all subsequent Amendments. Truly, the Commission has a solemn responsibility to promote, as Chairman Burger has stated, a history and civic lesson for all Americans. This Budget request, to be executed in the last decade of the 20th Century, represents the cement that will help solidify the significant achievements of the Commission and preserve for future Americans the true meaning of the Constitution as the bedrock of our Republic.

As specifically set forth in Public Law 98-101, the Commission is required to "plan and develop activities" which further "the important goals of scholarship and education"; to "encourage private organizations, and State and Local governments" to develop Bicentennial activities; to "coordinate, generally, the activities throughout all of the States"; and to "serve as a clearinghouse" for information on the Bicentennial.
In addition to the hundreds of internally developed projects to support these endeavors, the Commission's outreach efforts are having an even larger multiplier impact by stimulating the investment of countless millions of hours as well as dollars and other in-kind services in Bicentennial activity by States, communities, Federal agencies, private organizations, schools, colleges, and the media.

The two rounds of the FY 89 Bicentennial Education Grant Program received over 1900 requests for application materials and subsequently received 293 applications requesting just under $20 million in funding. The Commission plans to continue this worthwhile and successful program in teacher training and curriculum development, which so closely touches the minds of America's youth as they prepare for their leadership roles in the next century. It represents the Commission's principal investment in future generations of Americans.

As the Commission builds momentum toward its culmination with the Bill of Rights celebration, several significant projects have been successfully undertaken that demonstrate the lasting contribution the Commission's efforts will have to the American educational community. The Historical Pictorial Map Contest, open to youngsters from fourth grade through high school, was designed and distributed to thousands of schools to encourage the study of geography and history as it pertains to the Colonial and Founding period of our country's development. The Contest is being offered again in this school year. At the other end of the educational spectrum, a program of learning materials on the Constitution for adult and continuing education has been developed. These materials will be utilized by schools and organizations that serve the adult learner. Concurrently a series of public discussions entitled the College-Community Forums has been designed to stimulate discussion and insight on the workings of each branch of government. It is the Commission's desire that these types of educational programs will be perpetuated by the American educational system and form a lasting legacy of constitutional study for all our Citizens.

The Commission is asking for an additional operating budget of only $17,264,000 to be appropriated in FY 91. While this represents an approximate increase of fourteen percent from the $14,589,000 requested in FY 90, the fact that this amount will fund five quarters, not four, indicates a real reduction in the operating budget base line. We project completion of the historic work of the Commission within this request. These funds have been judiciously programmed to promote and orchestrate nationwide projects of the magnitude needed to accomplish the goals and objectives assigned to the Commission. Public Law 99-194 authorized $7,500,000 for educational grants for each of the fiscal years 1988, 1989, 1990, and 1991. We are requesting that $7,500,000 be appropriated in FY 91. These grants are for continuing the development of curricular materials and teacher training workshops and institutes which have been among the most successful Commission projects in terms of the lasting positive impact on school children. It is estimated that through on-going teacher training and further dissemination of the materials developed through this program, over 144,000 teachers and 2 million students will ultimately benefit from the projects funded in this round alone.

The Bicentennial of the Constitution affords all Americans a rich opportunity to think about the "first principles" that underlie our system of government and the history of those governing ideas. The FY 91 budget, being executed in the last year of the Commission, plays a pivotal position in ensuring that the historic work, so successfully undertaken by the Commission, remains a national resource to guide our citizens into the next century. Plainly, a nation of 240 million in the 20th and 21st centuries has needs and problems far different from a nation of 4 million in the 18th century. The Constitution has been, and will continue to be, with the Declaration of Independence, a truly American document that will ensure "the blessings of liberty" for every individual.

Attachments include budget justifications addressed by object classifications and a detailed Fourth Full Year Report. We request your favorable consideration of the appropriation request. The scope of the Commission is vast and must have the support of OMB, the President, and Congress.

Sincerely,

Ronald L. Trowbridge

Ronald L. Trowbridge
Staff Director

RLT:JMD:jh
Enclosures

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

BUDGET JUSTIFICATION

Details of the object class estimates for FY 91+ :

PERSONNEL COMPENSATION/BENEFITS. Total personnel costs of $2,423,625 assumes a constant on-board full time equivalent (FTE) strength of 48 authorized positions through the first quarter FY 92. This reflects a reduction of 32 authorized positions from the FY 90 Budget submission and is consistent with the anticipated closure of the Commission in December of 1991. These positions represent the minimum functional requirements necessary to accomplish the Bill of Rights celebration and the dissolution of the Commission. Any hire lag will be offset by the employment of temporaries in order to meet peak workloads and fund an interagency agreement with a designated federal agency to act as the Commission's closeout agent for a period of six months after the end date of the Commission. As anticipated, after the first major Bicentennial Event in September 1987 the number of detailees from other agencies have not been readily available and are declining at a rapid rate. This has necessitated a greater reliance on interagency agreements and contracts for services normally transacted by Commission personnel. The personnel cost projections equate to an average annual salary of $36,469 and represents the most difficult task of accomplishing the Commission's goals while simultaneously preparing to close out operations entirely. A recently concluded functional review of the Commission has supported the requirement for 48 FTE spaces as the rock bottom number needed to continue the Commission as a viable organization. While the internal Commission strength is planned to be reduced over the period to zero these FTE requirements must be funded to cover the options of interagency agreements and service contracts. Currently, the FERS costs are running at 10.9% of the personnel compensation and other related costs are 8.3% Even with a projected 9 or 11 detailees from other agencies remaining on board during the last half of FY 91, the tremendous surge in interest by the public in the material developed by the Commission has resulted in a growing number of contracts for administrative work. It should be noted that in addition to the 80 FTE and 10 detailees, there has been documented in FY 89 over $6,496 on paid overtime and 425 reported compensatory hours worked. The majority of managers and senior staff do not report the hours they work in excess of the forty-hour work week. The Commission's large and extremely effective volunteer program hours are not included in man-year and strength figures. If they were, it is estimated that it would be 11% of the official Commission man-hours.

BUDGET JUSTIFICATION FY 91+ (Cont.)

TRAVEL and TRANSPORTATION of PERSONS. There will be several major peak periods of travel during the period October 1, 1990 to December 31, 1991 as the Commission prepares to undertake its largest event in the Bill of Rights commemoration. It is envisioned that this series of events will involve the entire population of the United Stated and be the focal point for a celebration of liberty and freedom throughout the world. The shear size of this undertaking is sobering and its impact on the course of history could have monumental consequences. In conjunction with this coordination effort there are extremely rigid controls placed on travel and travel related expenses. Only essential, mission-directed travel is authorized. With these controls in place, $330,000 should support the FY 91+ travel requirements of the Chairman, Commissioners, and staff for invitational, local, national, international, program coordination, and program implementation activities. While the Commission is requesting the same level of funding for FY 91+, consideration must be given to the fact that this is a five quarter fiscal year. This represents a real reduction of 19% over FY 90. Full funding at this level is absolutely required to ensure a successful Bill of Rights event and for dissolution activities in the first quarter of FY 92.

TRANSPORTATION of THINGS. The estimate is for parcel post shipments, transportation of equipment to include displays, and transportation charges to vendors who distribute Commission materials to the general public. The Commission continues to have the authority to maintain mail metering machines and deal directly with the U.S. Post Office and UPS for outgoing mail. In FY 90 these costs were approximately $140,000. In an effort to ensure that the legacy of the Commission activities remains for future generations of Americans an effort to place Commission developed or sponsored materials in every library in the Nation is under way. The Commission continues to develop and publish new catalogues for marketing its Logo Licensed material and the distribution of these items will continue throughout the life of the Commission. The anticipated mail order requests and distribution of Commission materials will require $105,000 to meet FY 91+ requirements.

RENT, COMMUNICATION, and UTILITIES. Starting in December 1987 the Commission began to pay for its occupied space with the Riggs National Bank which prior to that time was donated. Due to the short life span remaining in the Commission there are no plans for the Commission to seek new facilities. The Commission has been informed by Riggs' officials to anticipate a 15% increase in all service costs and this will generate a fixed cost requirement of $1,123,750 for FY 91+.

BUDGET JUSTIFICATION FY 91+ (Cont.)

PRINTING and REPRODUCTION. As specifically set forth in Public Law 98-101, the Commission is required to "coordinate, generally, the activities throughout all of the States" in matters dealing with the Bicentennial of the United States Constitution. Based on this, printing and reproduction of Commission sponsored materials was identified as a major budget item. Experiences in FY 87 through FY 89 have confirmed this and the trend continues to rise. The basic cost of printing all material continues to increase and the volume of Commission materials available to the public increases with each year of existence. The FY 91+ projections are totaled at $1,625,000.

OTHER SERVICES. The FY 91+ request of $3,503,375 is the largest single expense area for the Commission with the exception of the educational grants program. The statutory requirements of the Congressional mandate to "plan and develop activities" which further "the important goals of scholarship and education" and to "serve as a clearinghouse" for information on the Bicentennial plans and activities "throughout all of the States" will be largely funded through this Other Services category of expense. With the exception of grants, communications, utilities, and the fact that personnel costs are not charged by project, not less than 90% of all elements of this expense are directly related to major projects approved by the Commission.

SUPPLIES and MATERIALS. The Commission fully supports the President's management improvements and while the cost for most general supplies continue to increase, the FY 91+ request of $120,000 will remain below the FY 90 level of $160,000. This figure is considered ample to meet essential operating needs for day-to-day supplies and materials in addition to those items needed to support projects.

EQUIPMENT. FY 91+ will represent the last year of life for the Commission and will represent a repair and replace essential items of equipment mode of operation. The request for $50,000 will maintain the Commission in a status-quo environment and shows a decrease of over 37% from FY 90.

Type size
8 point 22 picas
Case 180
-3 underscore
Case 210

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

COMMISSION ON THE BICENTENNIAL
OF THE U. S. CONSTITUTION

SEP 08 1989

PROGRAM & FINANCING (in thousand of dollars)

Identification code 76-0054-0-1-808	19 89 actual	19 90 estimate	19 91 estimate
PROGRAM BY ACTIVITIES:			
10.00 Total Obligations	16,832	16,846	11,222
FINANCING:			
21.40 Unobligated balance available start of year	(12,442)	(2,546)	-0-
24.40 Unobligated balance available end of year	2,546	-0-	-0-
40.00 Budget authority (appropriation)	6,936	14,300	11,222
Relation of obligations to outlays:			
71.00 Obligations incurred, net	16,832	16,846	11,222
72.40 Obligated balance, start of year	2,615	2,684	3,269
74.40 Obligated balance, end of year	(2,684)	(3,269)	(3,227)
90.00 Outlays	16,763	16,261	11,264
(Mono cast 21.5)	(Mono cast 5)	(Mono cast 5)	(Mono cast 4.9)

COMMISSION ON THE BICENTENNIAL
OF THE U. S. CONSTITUTION

SEP 08 1989

PROGRAM & FINANCING (in thousand of dollars)

Identification code 76-0054-0-1-808	19 actual	19 estimate	19 92 estimate
PROGRAM BY ACTIVITIES:			
10.00 Total Obligations			6,042
FINANCING			
21.40 Unobligated balance available start of year			-0-
24.40 Unobligated balance available end of year			-0-
40.00 Budget Authority (appropriation)			6,042
Relation of obligations to outlays:			
71.00 Obligations incurred, net			6,042
72.40 Obligated balance, start of year			3,227
74.40 Obligated balance, end of year			(3,204)
90.00 Outlays			6,065
[illegible]	[illegible]	[illegible]	[illegible]

PLANNING BASE

Type size: 22 picas
Case 180
Rel under...
Case 210

STANDARD FORM 304
May 1969 Bureau of the Budget
Circular No. A-11 Revised
304-103

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES
CONSTITUTION
OBJECT CLASSIFICATION (in thousand of dollars)

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 76-0054-0-1-808	19 89 actual	19 90 estimate	19 91 estimate
Personnel compensation			
11.1 Permanent positions	1,930	2 284	2,204
11.3 Positions other than permanent	150	100	100
11.5 Other personnel compensation	135	120	120
11.8 Special personal services payments	0	0	0
Total personnel compensation	2,215	2,504	2,424
Personnel benefits			
12.1 Civilian	454	501	483
13.0 Benefits for former personnel	0	0	0
21.0 Travel and transportation of persons	194	330	330
22.0 Transportation of things	124	140	105
23.0 Rent, communications, and utilities	1,245	1,216	1,124
24.0 Printing and reproduction	872	1,300	1,625
25.0 Other services	3,794	3,115	3,503
26.0 Supplies and materials	411	160	120
31.0 Equipment	23	80	50
32.0 Lands and structures	0	0	0
33.0 Investments and loans	0	0	0
41.0 Grants, subsidies, and contributions	7,500	7,500	7,500
42.0 Insurance claims and indemnities	0	0	0
43.0 Interest and dividends	0	0	0
44.0 Refunds	0	0	0
99.0 Total obligations	16,832	16,846	17,264

PLANNING BASE

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

PERSONNEL SUMMARY

DIRECT	FY 89	FY 90	FY 91
Total number of full time permanent positions	100	80	48
Total compensable workyears:			
Full time equivalent employment	100	80	48

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

ENACTED/REQUESTED	89 19PY ACTUAL	90 19CY ESTIMATE	91 19BY ESTIMATE
BUDGET AUTHORITY	6,936	14,300	17,264
OUTLAYS	16,763	16,261	17,329

[illegible]

PLANNING BASE

COMMISSION ON THE BICENTENNIAL OF THE
UNITED STATES CONSTITUTION

DETAIL OF PERMANENT POSITIONS

76-0054-0-1-808	89	90	91
Executive Level	1	1	1
SUBTOTAL	1	1	1
GS - 18	1	1	0
GS - 16	3	3	4
GS - 15	5	5	2
GS - 14	5	5	4
GS - 13	11	11	6
GS - 12	11	11	5
GS - 11	8	8	3
GS - 10	6	6	5
GS - 09	5	5	4
GS - 08	6	6	4
GS - 07	10	10	5
GS - 06	1	1	1
GS - 05	7	5	3
GS - 04	0	2	1
SUBTOTAL GS	79	79	47
Total permanent positions	80	80	48
Unfilled positions, end of year	20	0	0
Total permanent employment, end of year	100	80	48

PLANNING BASE

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

SUMMARY FIGURES

Dollar Amounts	
1989 appropriation	$6,936
1990 appropriation (as requested by the President and passed by the Congress	$14,300
1991 request to OMB	$17,264

Appropriation Language

Estimates of Programmatic Applications of funds
(in thousands of dollars)

	Actual 1989	Estimate 1990	Estimate 1991
Formal Recommendations			
Implementation & Advisory			
Clearinghouse			
Management	$6,936	$14,300	$17,264
Budget Authority	$6,396	$14,300	$17,264
Outlays	$16,763	$16,261	$17,329
Reimbursable Programs			
Obligations Authority			
Outlays			
	$ 6,936	$14,300	$17,264

AL	1990 Estimate	1991 Estimate
	80	48

COMMISSION ON THE BICENTENNIAL OF THE U.S. CONSTITUTION

FY 91 PROJECTS

120 - FUTURE GRANT PROJECTS. ($158,000)

121 ADULT EDUCATION PROJECT. In a major effort to reach the various adult constituencies,the Commission is funding the development of specially designed and easily read adult education materials on the Constitution. Consisting of four discussion-based modules on aspects of the Constitution, a Discussion Leader's Guide and Handbook, a Supplementary Guide for Tutors of the Functionally Illiterate and an introductory video, these materials will provide a better understanding of the history and principles of the Constitution as well as its implications for civic responsibility today. ($450,000)

122- COLLEGE-COMMUNITY FORUMS. The College-Community Forums program is designed to engage college faculty, community leaders and citizens in public discussion of constitutional issues and provide them with a better understanding of the history and principles of the United States Constitution. Local forums will be organized by colleges and universities, acting where possible in consortium and in collaboration with other local institutions. ($850,000)

123 - NATIONAL MEETING. Participants at the 1988 National Meeting of Bicentennial Leaders shared ideas and expertise for the remainder of the commemoration period. Along with Commission representatives, state Commission chairmen, private associations, education associations, media representatives, and federal agencies took part. This successful gathering will be repeated one or more times to share ideas on keeping Bicentennial programs active through the Bill of Rights period. ($100,000)

124 - PSA - AD COUNCIL. The Commission will continue its relationship with the Advertising Council to produce, distribute, and promote public service announcements on the Constitution to newspapers, consumer magazines, and other print media; outdoor and transit advertising outlets; radio stations; and network, cable, and local television stations. ($340,000)

125 - POCKET CONSTITUTIONS FY-91. A pocket-sized Constitution with key historical dates and a descriptive word index will have an expanded distribution. Planning is under way to provide Constitution to organizations such as the Boy and Girl Scouts of America and others who will use them in conjunction with an appropriate educational forum. ($850,000)

126- BILL OF RIGHTS MATERIALS & PROJECTS. In addition to the educational materials developed through the Educational Grants Program, the Commission will develop and disseminate a special set of learning materials for the commemoration of the Bill of Rights. ($50,000)

127 - NATIONAL HISTORY DAY CO-SPONSORSHIP. ($160,000)

128 - HISTORICAL/PICTORIAL MAP CONTEST. Building upon its successful 1988-89 National Historical/Pictorial Map Contest, the Commission plans to continue this event in 1989-90 and 1990-91. ($826,320)

129 - BICENTENNIAL RECOGNITION PROGRAMS. This Bicentennial School Recognition Program encourages schools throughout the country to further the study of the United States Constitution, the development of our representative government and the rights and responsibilities of citizenship. This program is designed to encourage ongoing educational activities and events throughout the school-year, from Constitution Week in September through Flag Day in June. ($25,000)

130 - CONSTITUTION WEEK. A 1988 "Constitution Week" program encouraged teachers, community leaders, and ordinary citizens to undertake special educational and commemorative activities on the Constitution during the week beginning September 17. This effort will be repeated annually with the goal of enhancing and establishing Constitution Week as the time each year to focus attention on the Constitution beyond the life of the Commission. ($20,000)

131 - CATALOGS. The wide circulation of three gift catalogues has broadened the public awareness of the Commission by offering attractive logo licensed commemoratives, all made in America and reflecting the celebration of the Bicentennial. The catalogues have served another purpose; i.e., advertising approaching special events, promoting the ABC literacy information, and greatly increasing distribution of the pocket Constitution and other Commission publications. ($75,000) IN

132 - 4TH OF JULY. The Commission is encouraging local communities throughout the country to feature Bicentennial themes in July 4th festivities, focusing next year on the establishment of the federal government under the Constitution. The Washington, D.C. July 4 parade was televised this year nationwide by a network of educational television stations. ($-0-)

133 - REGIONAL MEETINGS. The Commission will build on its successful 1987, 1988 and 1989 regional meetings with a new series of planning sessions around the country geared toward grassroots Bicentennial activities. Participants will include Bicentennial communities, private organizations, educators, and Bicentennial leaders. ($75,000)

134 JOURNALISM AWARDS. Each year, the National Press Foundation presents the

Benjamin Franklin Award for excellence in print journalism; the Ohio State University presents similar awards for electronic journalism. In 1990, the Foundation and Ohio State University--working with the Commission--will present awards for works done on the Constitution Bicentennial. This will be the third year for the Constitution Bicentennial Benjamin Franklin Award; the second for the Ohio State Award. The Commission funding will be used for ads announcing the competition in print and electronic journalism magazines; targeted mailings to publications, soliciting entries; the award plaques; and the award luncheon (to be held in Spring, 1990). ($40,000)

135 - CALENDARS FY 91 FOR 1992. Each year since 1986 the Commission has produced and distributed a commemorative historical calendar containing information relevant to the Constitution and the Bill of Rights from 200 years ago.($-0-)

136 - CONTINUING ETHNIC AND MINORITY PROGRAMS. Reaching out to ethnic and racial minority groups with the message of freedom and opportunity guaranteed by the U.S. Constitution will continue to be a Commission priority in its remaining years and will receive added attention as emphasis is placed on the Bill of Rights and the other Amendments. ($100,000)

137 - CONTINUING DISABLED PROGRAMS. Planned Commission programs to reach the disabled include placing in each public library a copy of a Braille Constitution developed in 1987 by the National Braille Press, the development and distribution of a Braille "Constitution Bookshelf," the development of a tactile American history map, and the underwriting of closed-captioned programming on the Constitution. ($100,000)

138 - MIRACLE OF PHILADELPHIA EXHIBIT. A $1 million multimedia walk-through exhibit telling the story of the Constitution attracted up to 50,000 viewers per month in Philadelphia last year. It was acquired by the Commission in December 1987 upon completion of its period of display in Philadelphia. Commission expenses will include redesign, additions and substitutions, and transportation costs. ($20,000)

139 - ADMINISTRATIVE SUPPORT. This Project Code is a consolidation of all of the costs of the Commission on the Bicentennial of the United States Constitution that are, for administrative purposes, directly related to the Commission's Project List. These include OMB Object Classifications for Personnel Compensation and Benefits, Travel and Transportation of Persons and Things, Rental Payments, Communications, Utilities, Supplies and Equipment. ($3,004,750)

140 - NEWSLETTER FY 91. The Commission's bimonthly newsletter reaches a mailing list of 43,000. ($123,000)

141 - GENERAL OUTREACH FY 91. General outreach represents expenditures that cross two or more other project codes. ($150,000)

142 - CONGRESSIONAL PROJECTS. -($-0-)

143 - EXECUTIVE PROJECTS. ($-0-)

144 - JUDICIAL PROJECTS. ($-0-)

145 - BILL OF RIGHTS EVENT. ($500,000)

BA FREEZE

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION
SALARIES AND EXPENSES

Program and Financing (in thousand of dollars)

Identification code 76-0054-0-1-808	89	90	91
Program by activities:			
10.00 Total obligations	16,832	16,846	14,295
Financing:			
21.40 Unobligated balance, start of year	(12,442)	(2,546)	0
24.40 Unobligated balance, end of year	2,546	-0-	0
40.00 Budget authority (appropriation)	6,936	14,300	14,295
Relation of obligations to outlays:			
71.00 Obligations incurred net	16,832	16,846	14,295
72.40 Obligated balance, start of year	2,615	2,684	3,269
74.40 Obligated balance, end of year	(2,684)	(3,269)	(3,204)
90.00 Outlays	16,763	16,261	14,360
[illegible]	[illegible]	[illegible]	[illegible]

BA FREEZE

STANDARD FORM 304
May 1960 Bureau of the Budget
Circular No. A-11 Revised
304-101

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES
CONSTITUTION
OBJECT CLASSIFICATION (in thousand cf dollars)

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 76-0054-0-1-808	19 89 actual	19 90 estimate	19 91 estimate
Personnel compensation:			
11.1 Permanent positions	1,930	2,284	2,204
11.3 Positions other than permanent	150	100	100
11.5 Other personnel compensation	135	120	120
11.8 Special personal services payments	0	0	0
Total personnel compensation	2,215	2,504	2,424
Personnel benefits:			
12.1 Civilian	454	501	483
13.0 Benefits for former personnel	0	0	0
21.0 Travel and transportation of persons	194	330	330
22.0 Transportation of things	124	140	105
23.0 Rent, communications, and utilities	1,245	1,216	1,124
24.0 Printing and reproduction	872	1,300	1,625
25.0 Other services	3,794	3,115	1,683
26.0 Supplies and materials	411	160	120
31.0 Equipment	23	80	50
32.0 Lands and structures	0	0	0
33.0 Investments and loans	0	0	0
41.0 Grants, subsidies, and contributions	7,500	7,500	6,351
42.0 Insurance claims and indemnities	0	0	0
43.0 Interest and dividends	0	0	0
44.0 Refunds	0	0	0
99.0 Total obligations	16,832	16,846	14,295

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

PERSONNEL SUMMARY

DIRECT	FY 89	FY 90	FY 91
Total number of full time permanent positions	100	80	48
Total compensable workyears:			
Full time equivalent employment	100	80	48

BASE FREEZE

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

ENACTED/REQUESTED	89 19PY ACTUAL	90 19CY ESTIMATE	91 19BY ESTIMATE
BUDGET AUTHORITY	6,936	14,300	14,295
OUTLAYS	16,763	16,261	14,360

COMMISSION ON THE BICENTENNIAL OF THE
UNITED STATES CONSTITUTION

DETAIL OF PERMANENT POSITIONS

76-0054-0-1-808	89 actual	90 estimate	91 estimate
Executive Level	1	1	1
SUBTOTAL	1	1	1
GS - 18	1	1	0
GS - 16	3	3	4
GS - 15	5	5	2
GS - 14	5	5	4
GS - 13	11	11	6
GS - 12	11	11	5
GS - 11	8	8	3
GS - 10	6	6	5
GS - 09	5	5	4
GS - 08	6	6	4
GS - 07	10	10	5
GS - 06	1	1	1
GS - 05	7	5	3
GS - 04	0	2	1
SUBTOTAL GS	79	79	47
Total permanent positions	80	80	48
Unfilled positions, end of year	20	0	0
Total permanent employment, end of year	100	80	48
[illegible]	[illegible]	[illegible]	[illegible]

COMMISSION ON THE BICENTENNIAL OF THE U.S. CONSTITUTION
1991 BUDGET PASSBACK
($ in thousands)

	1989	1990	1990	1991	1991	Allowance			
	Actual	Conference	Post Sequester	Agency Request	Allow	1992	1993	1994	1995
Budget Authority	6,936	15,005	14,623	17,264	16,884	--	--	--	--
Program Level	16,832	17,551	17,169	17,264	14,973	1,911	--	--	--
Outlays	16,763	16,966	16,764	17,329	15,038	1,911	--	--	--
FTE	100	80	80	48	38	10	--	--	--

Policy Guidance:
The allowance for 1991 is to cover the period October 1, 1990, thru December 31, 1991, when the Commission will terminate.

BA FREEZE

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

SUMMARY FIGURES

Dollar Amounts

1989 appropriation	$6,936
1990 appropriation (as requested by the President and passed by the Congress	$14,300
1991 request to OMB	$14,295

Appropriation Language

Estimates of Programmatic Applications of funds
(in thousands of dollars)

	Actual 1989	Estimate 1990	Estimate 1991
Formal Recommendations			
Implementation & Advisory			
Clearinghouse			
Management	$6,936	$14,300	$14,295

Budget Authority	$6,936	$14,300	$14,295
Outlays	$16,763	$16,261	$14,360

Reimbursable Programs

Obligations Authority			
Outlays			
	$ 6,936	$14,300	$14,295

AL	1990 Estimate	1991 Estimate
	80	48

[illegible]

5% BELOW FREEZE

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION
SALARIES AND EXPENSES
Program and Financing (in thousand of dollars)

Identification code 76-0054-0-1-808	19 89 actual	19 90 estimate	19 91 estimate
Program by activities:			
10.00 Total obligations	16,832	16,846	13,580
Financing:			
21.40 Unobligated balance, start of year	(12,442)	(2,546)	0
24.40 Unobligated balance, end of year	2,546	-0-	0
40.00 Budget authority (appropriation)	6,936	14,300	13,580
Relation of obligations to outlays:			
71.00 Obligations incurred net	16,832	16,846	13,580
72.40 Obligated balance, start of year	2,615	2,684	3,269
74.40 Obligated balance, end of year	(2,684)	(3,269)	(3,204)
90.00 Outlays	16,763	16,261	13,645
[illegible]	[illegible]	[illegible]	[illegible]

5%BELOW FREEZE

Type size
8 point 22 picas
Case 100
rl underscore
Case 210

STANDARD FORM 304
May 1960 Bureau of the Budget
Circular No. A-11 Revised
304-103

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES
CONSTITUTION
OBJECT CLASSIFICATION (in thousand of dollars)

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 76-0054-0-1-808	19 89 actual	19 90 estimate	19 91 estimate
Personnel compensation:			
11.1 Permanent positions	1,930	2,284	2,204
11.3 Positions other than permanent	150	100	100
11.5 Other personnel compensation	135	120	120
11.8 Special personal services payments	0	0	0
Total personnel compensation	2,215	2,504	2,424
Personnel benefits:			
12.1 Civilian	454	501	483
13.0 Benefits for former personnel	0	0	0
21.0 Travel and transportation of persons	194	330	330
22.0 Transportation of things	124	140	105
23.0 Rent, communications, and utilities	1,245	1,216	1,124
24.0 Printing and reproduction	872	1,300	1,625
25.0 Other services	3,794	3,115	1,460
26.0 Supplies and materials	411	160	120
31.0 Equipment	23	80	50
32.0 Lands and structures	0	0	0
33.0 Investments and loans	0	0	0
41.0 Grants, subsidies, and contributions	7,500	7,500	5,859
42.0 Insurance claims and indemnities	0	0	0
43.0 Interest and dividends	0	0	0
44.0 Refunds	0	0	0
99.0 Total obligations	16,832	16,846	13,580

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

PERSONNEL SUMMARY

DIRECT	FY 89	FY 90	FY 91
Total number of full time permanent positions	100	80	48
Total compensable workyears:			
Full time equivalent employment	100	80	48

5% BELOW FREEZE

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

ENACTED/REQUESTED	89 19PY ACTUAL	90 19CY ESTIMATE	91 19BY ESTIMATE
BUDGET AUTHORITY	6,936	14,300	13,580
OUTLAYS	16,763	16,261	13,645

Circular No. A-11 Revised

COMMISSION ON THE BICENTENNIAL OF THE
UNITED STATES CONSTITUTION

DETAIL OF PERMANENT POSITIONS

76-0054-0-1-808	19 89 actual	19 90 estimate	19 91 estimate
Executive Level	1	1	1
SUBTOTAL	1	1	1
GS - 18	1	1	0
GS - 16	3	3	4
GS - 15	5	5	2
GS - 14	5	5	4
GS - 13	11	11	6
GS - 12	11	11	5
GS - 11	8	8	3
GS - 10	6	6	5
GS - 09	5	5	4
GS - 08	6	6	4
GS - 07	10	10	5
GS - 06	1	1	1
GS - 05	7	5	3
GS - 04	0	2	1
SUBTOTAL GS	79	79	47
Total permanent positions	80	80	48
Unfilled positions, end of year	20	0	0
Total permanent employment, end of year	100	80	48

5% BELOW FREEZE

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

SUMMARY FIGURES

Dollar Amounts

1989 appropriation	$6,936
1990 appropriation (as requested by the President and passed by the Congress	$14,300
1991 request to OMB	$13,580

Appropriation Language

Estimates of Programmatic Applications of funds
(in thousands of dollars)

	Actual 1989	Estimate 1990	Estimate 1991
Formal Recommendations			
Implementation & Advisory			
Clearinghouse			
Management	$6,936	$14,300	$13,580
Budget Authority	$6,936	$14,300	$13,580
Outlays	$16,763	$16,261	$13,645
Reimbursable Programs			
Obligations Authority			
Outlays			
	$ 6,936	$14,300	$13,580

AL	1990 Estimate	1991 Estimate
	80	48

Mr. **Smith**. Do you have a statement, Mr. Chief Justice?

Chief Justice **Burger**. Thank you, Mr. Chairman.

Members of the committee, you see all this massive material I brought with me this morning. It reminds me of the old story all of you have heard, I am sure, never worry about the lawyer that comes into the courtroom with ten books. The fellow that comes in with one book, he is a real danger to your case.

COMMISSION PUBLICATIONS

I brought these chiefly as samples—by no means is it all—of not only the things we, the Commission, have published with the appropriations that you make available to us, but others that we did not publish, but which have been stimulated by the Commission's work.

Here is one, for example, that we put in every school library in the United States and every college library. We, in effect, subsidized it by agreeing to buy 40,000 of them, approximately, at $6.40 a piece, which another publisher told me that the price wasn't enough to cover the paper and the ink.

This is a book written as though the writer was a reporter at the Constitutional Convention in Philadelphia writing everyday about what happened by picking up at the taverns what was going on.

What he really used, because he is a very good historian, were James Madison's notes and the notes of other delegates. So it is a real educational resource and will be in these libraries as long as the libraries are around.

There are many others. There is one on the birth of the first—the beginning of the first Congress. That we did not write either, but we financed it through George Washington University.

There are many, many others. Here is one that was written by Professor—the late Professor Richard Morris, one of the distinguished American historians who was head of history at Columbia University. This was placed in the hands of every social science teacher in the United States.

What we found very early was that there were a whole generation of teachers in this country who had come out of school in the last twenty-to-thirty years who simply did not know the story of this Constitution. If they don't know it, they cannot pass it on to the youngsters.

So while you don't read anything in the Washington Post about what we are doing, and not much more but some in the New York Times and others, the fact is we have programs going in every school in the United States. I didn't know until I became chairman of this Commission that we have 108,000 schools in the country and almost 4,000 colleges and junior colleges.

I won't go into all the details covered in the statement I am filing this morning or in the summary that is in the annual report, but I would like to illustrate just a couple of things.

NATIONAL PICTORIAL MAP CONTEST

I think I may have mentioned this in former hearings.

When I was a youngster in school, we had a—not a contest, but we did a pictorial map. This is quite a few years ago, more than a half century. Countless times over the years, I have been in meetings of lawyers, judges, and others, and the question would come up, when was the Magna Carta? Somebody would say that was about 1600, 1700. Immediately would flash across my mind Runnymede, June 14, 1215. Why?

Because on the map that I drew illustrating this historical event, important to us, as well as to the British people, I had a picture of a knight representing all the other knights standing with his big lance and King John standing in front of him. The knight was saying, "sign on the dotted line, John."

I mention that to you now because these maps which we have here are going to engrave on the minds of hundreds of thousands of students in this country the episodes that they have illustrated.

Now, there are three of them. Where is the third one?

Our map contest last year had such results that we are repeating it this year. It will be much, much bigger, that is, more students will be involved because the teachers have become very much interested in it.

This map is the fourth, fifth, and sixth grades. It is not the work of one student. The whole class works on it. This is the winner of the fourth, fifth and sixth grade group. The next one over here is the winner of the sixth, seventh, and eighth, I think.

It may include the ninth. The left one is an extraordinary piece of work at the high school level. At the high school level, they enter individually.

Now, why do I bother with these details, Mr. Chairman, and members of the committee?

TEACHER TRAINING PROGRAMS

Again, to say that we have conceived our job from the beginning as one of giving ourselves, as we put it, history and civics lessons. That is where the bulk of the appropriated money is going.

About one-third of all the appropriations go to finance seminars, usually in the summer, almost entirely in the summer months, to teach the teachers, literally. Some of them will last a week, some more.

I think in round figures, $3.5 million a year goes into that activity. This is producing a whole generation of teachers who will understand how our system works.

Now, I should have mentioned—and I apologize for it—I have with me the Director of Educational Projects, who is now the Acting Staff Director, Dr. Herbert Atherton, whose background is as a historian from Yale and Connecticut College, and Colonel O'Meara, Head of Administration.

Fiscally, he is the man who says "no" when people try to spend money improperly. He has been on loan from the Department of the Army for about three years and has done a splendid job for us.

DEPARTMENT OF DEFENSE SUPPORT

I should put on the record that the Department of the Army has done more to assist us than all the rest of the Government together. There is nothing new about that because the Department of the

Army has always had a great tradition in this respect concerning patriotic events.

They have had a lend lease program with several staff members who have been with us permanently.

ANNUAL THEMES

Some of you may just want to glance over these items when we break up. It is too much to talk about them in detail, but let me show one thing that has just come in.

Reaching into the schools, we have had them concentrate on the particular events. In 1989, it was on the First Congress and the introduction into Congress by James Madison of the Bill of Rights which was adopted then.

This year we are concentrating on the beginning of the judicial system, and that judicial system is being celebrated down to the very young children.

In the mail, we receive—and there are hundreds and hundreds—I don't know how many of these going out—"Happy 200th Birthday to the Supreme Court". All the Justices received these.

Judges all over the country have received them. Because on February 2nd, every State Supreme Court, except a few, had a special ceremony. We focused on it not as a celebration of the beginning of the Supreme Court, but the beginning of the dual judicial system, the Federal—13 Federal judges joining about 130 State judges as part of our Administration of justice beginning February 2, 1790.

Here are these things done by these youngsters who, if you get a chance, I think you will get the same lift out of it that I have had.

One of the Justices who received it just yesterday called and wanted to know how he could get some copies of the pocket Constitution to send out to all the children who have sent this in.

Now, a word about what we are going to be doing through the rest of this year.

It will continue with all of our educational programs, adult education program, which has the cooperation of the most formidable lobby in the United States, the AARP, 16 million members. That adult education program is reaching even into the prisons.

We do not have many yet, but before the end of 1991, we will have a great, great many prisons with programs of education about our system.

Some people would question that, but I won't take the time now. I think we can make a very strong case as to the value of trying to have these people understand what citizenship means when they get out of prison.

COLLEGE COMMUNITY FORUMS

The college community forums will continue to cooperate with both the community and the college on all of the programs, the dates and discussions about the first Congress, the beginning of the court system.

POCKET CONSTITUTIONS

Then the pocket Constitution. You have all seen them. We have sent many of them to you. I think the figure by the end of this year, end of 1990, will exceed 35 million copies that we will have had out, and there is a steady flow of them.

LAW RELATED EDUCATION—CENTER FOR CIVIC EDUCATION

We have, through the appropriation which you make for us that goes to the law-related education program, contacts in 423 of the 435 congressional districts. We have had remarkable cooperation from all of those people.

As you know, most of those groups are in close touch with the offices of members of the House, particularly, but I think with the Senate, as well.

You will see more of the details here in the material we will leave with you.

BILL OF RIGHTS PROGRAM

Let me mention what we are going to do, what we are planning now with respect to the Bill of Rights. That will be for 1991.

There will be some during 1990. There are various important dates, but the big program with respect to that will be next year.

What we hope to do is now being developed by several committees. We have an education committee that has been a standing committee made up of people outside of the Commission entirely, chaired by the Honorable Elliot Richardson, former Secretary of three or four departments of the Executive Branch.

Then we have a special advisory committee on what specifically to do about the Bill of Rights, chaired by Chief Judge Frank Coffin of the First Circuit, who is unique in a number of respects, one of which was that he was a Member of the House of Representatives from Maine.

He was Under Secretary of State under President Johnson, and I think President Kennedy, and then has been one of the distinguished Federal judges for a number of years. His committee is made up of lawyers, law teachers, historical people, and a couple of journalists.

Our thinking now is that in order to keep this from being subject to the criticism that the Bill of Rights doesn't tell the whole story because the Civil War amendments are, in many respects, more important than the original Bill of Rights, at least in the second hundred years of our history—so, probably, our program will be announced under a heading of human rights under the American Constitution and Bill of Rights.

FOREIGN OUTREACH

I might add, too, that we are already reaching out into other countries with this. There are copies of the Constitution printed and available in six different languages through USIA, and one in Braille for people with impaired eyesight or who are blind.

We have a special one now going for distribution in all the countries from Finland down to Yugoslavia with some special focus on those countries. It will be available to others, as well.

It is the same pocket Constitution—I normally have one in my pocket, but I don't now—and in the appendix will be the Declaration of Independence.

Our program will be to see that these get on university campuses in these countries with the openness that is becoming more open every day over there, and a student or a member of the faculty who speaks and reads English will call in a group of other students—perhaps a dozen—and then read the Constitution and Declaration of Independence and discuss it bit by bit.

Within the last two weeks, I have met with people from not quite all of these countries—almost all of them, from Finland, yes, I think every country in that central strip of Eastern Europe from Finland.

Some of them were members of the parliament. Some were judges. Some were educators. We think that will have a very large impact for the long run.

But this is what we expect to continue to do through 1991 with the appropriation that is now before you which goes a little bit beyond the ordinary 12 months in order to take care of the wrapping up of the program at the end.

COMMISSION HISTORY

I should add, too, that we have appointed a Commission historian, a former Foreign Service officer with excellent background to do what has always been done with commissions of this kind, that is, write it up into a book and make it available for the people 50 years from now and 100 years from now.

FOUR PRESIDENTS PROJECT

I think perhaps it is not too soon to say that another long range program of great importance is the—almost the only one that will focus on the Executive Branch. I think we have made it plain that our duty was to try to tell the story of each of the three great branches of Government: the Congress, the Executive Branch, and the Judiciary.

The main program—I think it will emerge as the main program—on the Executive Branch will be four interviews beginning sometime next fall or winter with each of the past presidents. This is the first time since Abraham Lincoln was elected that we have had four living past Presidents.

That came to our notice perhaps six months ago. We explored many alternatives. Then I visited with each of these former Presidents. They have agreed to go on one hour television interviews, not about themselves, but about the institution of the presidency.

In this we have the cooperation of the Miller Center at the University of Virginia where, as you know, for at least a dozen years they have had studies going on of the functioning of the presidency of the Executive Branch. That has not been announced as yet.

It is not classified "secret", but it will be announced probably within the next few weeks.

We hope that we will not have to use any appropriated money for that program. One reason for that hope is that the program will cost in excess of $2 million, probably more nearly $2.5–3 million.

We simply cannot take those kind of resources out of appropriated funds, but our exploration of it indicates that we will be able to get foundation support for this sort of a program.

Dr. Atherton, can you think of anything I have overlooked that is in my scope or something you want to add?

[The prepared statement of Chief Justice Burger follows:]

STATEMENT OF THE CHAIRMAN
COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

THE HONORABLE WARREN E. BURGER

for the

TH. COMMERCE, JUSTICE, STATE AND JUDICIARY SUBCOMMITTEE

of the

HOUSE APPROPRIATIONS COMMITTEE

February 6, 1990
UNITED STATES CAPITOL

On Monday, July 29, 1985, in the East Conference Room of the Supreme Court of the United States, we convened the first meeting of the Commission on the Bicentennial of The United States Constitution. At that time I stated that the Bicentennial of the Constitution gave us a great opportunity for a history and civics lesson for the entire country and our five-year program has continued to be focused on doing that to the extent time and funds permitted.

Our primary target has been and is the schools from the fourth grade through high school. About one-third of our budget each year is devoted to grants for summer seminars to prepare teachers to tell the great story of our Constitution and the system it created.

As set forth in Public Law 98-101 the Commission is specifically required to "plan and develop activities" which further "the important goals of scholarship and education"; to "encourage private organizations, and State and local governments" to develop Bicentennial activities; to "coordinate, generally, activities throughout all of the States"; and to "serve as a clearinghouse" for information on Bicentennial plans and activities.

Congressional appropriations over the last four years have permitted us to establish an organization, plan and launch major projects, and stimulate widespread citizen involvement in a relatively short time in pursuit of these objectives every year. As summarized in the year's annual report which you have received, the Commission's activities included a wide range of special events, programs, and publications commemorating the first Congress and the Presidency.

We emphasize that our principal concentration continues to be education. Among the many programs designed to promote better teaching and learning about the Constitution, how we secured it and what it means, our Discretionary Grant Program to "teach the teachers" and provide them with better materials has awarded approximately $7,620,000 over a period of three years for 164 grant projects, reaching into every state of the Union and District of Columbia.

The National Bicentennial Competition on the Constitution and Bill of Rights, sponsored jointly with the Center for Civic Education through a Commission grant, is reaching over 30,000 teachers and 2,200,000 students in the current school year. A newer program, College-Community Forums, has so far made 55 smaller awards for public discussion of constitutional issues in 27 states plus the District of Columbia.

The response of the American people and especially the teachers to our bicentennial programs has been heartening and supports the belief that the best defense of our liberties is to prevent their erosion through ignorance. Washington, Madison and Hamilton also emphasized this. To this end, the current year's activities of the Commission are commemorating the 200th anniversary of the independent Judiciary and the beginning of a dual system of justice with Federal and State courts. The final year's culmination of the Commission's efforts, marking the bicentennial of the Bill of Rights, will focus on the content and meaning of all the human rights under our Constitution and all its amendments.

We submit today the final appropriations request for the completion of the Commission's mandate. In agreement with OMB, this request covers five quarters and represents a reduction from the current operating budget base line. We have submitted as an additional enclosure a copy of the Commission's Staff Task Force Report, outlining our current plans for the remainder of the Bicentennial. The Report identifies program suggestions from staff and from the recommendations of two ad hoc Advisory Committees with whom the Commission has consulted.

The first, the Advisory Committee on Article III, chaired by Chief Judge Howard Markey (U.S. Court of Appeals for the Federal Circuit) suggested a number of educational and commemorative activities for the bicentennial of the Judiciary. Many of these suggestions have been implemented by the Commission and projects are currently underway in this fiscal year. We thank the House of Representatives for arranging last week's Special Order, commemorating the 200th anniversary of the first meeting of the U.S. Supreme Court on February 2, 1790.

The Advisory Committee on the Bill of Rights and Subsequent Amendments, chaired by Judge Frank Coffin (U.S. Court of Appeals for the First Circuit) provided suggestions for appropriate educational and commemorative activities aimed at heightening public awareness of those rights we enjoy under our Constitution. The anniversary of the Bill of Rights will provide the Commission's theme throughout the last year of our mandate.

We are currently studying these programs, and we expect deicisions to be made at the next Commission meeting. Collectively, these plans will promote a nationwide program of the magnitude needed to accomplish the goals and objectives assigned to the Commission.

The Commission has sought to be frugal in its expenditure of Federal resources and continually seeks ways to increase program impact with private sources by securing sponsors for projects. As we approach the Bicentennial of the ratification of the Bill of Rights on December 15, 1991, we anticipate increased interest in the commemoration by the American people. Since it will include focus on the First Amendment and freedom of the press, it is possible our activities will receive more media attention.

PUBLICATIONS

Mr. ATHERTON. I think, Mr. Chairman, you covered the broad outline of what we are now engaged upon. You mentioned there are a number of publications, each of which we could speak five or ten minutes about. There are several recent publications on the Judiciary.

I think the Members will recall a year ago we distributed to approximately 160,000 school teachers copies of learning material on Congress. That proved to be a very popular resource. We had to do another printing because of requests coming in.

This year, as a sequel to that, we have come out with a similar set of resources on the Judiciary, one for elementary, one for secondary school teachers. These are reaching the same network through Scholastic, approximately 160,000 teachers, and we are already getting requests, not only from teachers, but from judges and justices around the country to whom we have sent copies for additional of the same.

Many courts, as you know, have educational programs, school kids coming to the courts, judges going to schools.

The chairman has just pulled from the pack one of our more successful marketing enterprises that went forth last summer and fall. I will let him speak to that.

Chief Justice BURGER. This you might have picked up at the Safeway or other places. What they did is just what you see here. There was a little coupon, pre-paid mail. If they sent that coupon in, they got a copy of the pocket Constitution. I don't know how many thousands of them. I lost track after awhile on the reports.

COMMISSION EDUCATIONAL CALENDAR

I think it would be worth mentioning, you have already received, I think—every office received a number of copies of our calendar for 1990. This, as you have seen, if you looked at it closely, is more than a calendar.

It is an important educational tool. That has been placed in every school in the United States with a more or less personal letter from me to the principal of the school urging them to put it in a prominent place, and we have through the teachers that we have consulted in the development of it, a firm conclusion that these calendars will be around a long time after 1990.

We are now working at how we will use this for 1991 on human rights under the Constitution, under the Bill of Rights, a much more difficult one than it was for this year on the Congress and on the judiciary simply because there are so many facets to the Bill of Rights and all of the amendments.

Now, we are open to cross examination, Mr. Chairman, members of the committee.

Mr. SMITH. Thank you very much for your detailed explanation. I am wondering, after you close down, how will schools and others that want to receive or secure some of these publications in years in the future, be able to do that?

Chief Justice BURGER. We have been giving some thought to that and having some discussions with Mr. Quigley, who heads up that excellent program of law-related education. I think we will be prepared to submit a report to the Congress some time within the next 12 months urging the need for a continuing program that will really be more than a program of education on the Constitution, but a program of education on citizenship, which will, of course, be based on the Constitution.

That is simply in the discussion stages yet. The educational programs should not suddenly stop at the end of 1991.

Mr. SMITH. You know, our former colleague Wright Patman, many years ago wrote a pamphlet, I guess you would call it, on how Congress works. I don't remember the exact name. But for years and years, schools would write in and get that—teachers would get it.

There are some publications that are very valuable that surely there must be some way—even if it is through the Library of Congress or the House—there must be some way to continue to get these supplies.

Chief Justice BURGER. There is a need to coordinate what other organizations are doing, too.

The American Bar Association and various educational groups have got ideas along these lines. At some point, I am inclined to think that we on the Commission should appoint, designate a coordinating committee to look at this whole problem of the future and come back with a recommendation.

In that respect, by the way, the teachers of this country have been remarkably cooperative. I think more so than some of the bureaucracy above the teachers at times. The teachers themselves, as some of these responses of the students indicate and as the maps indicate, the teachers have been just remarkably cooperative.

Herb?

"CRADLE" PROGRAM

Mr. ATHERTON. You already mentioned the outstanding work of the Center for Civic Education, and how powerful and effective that has been through its programs and network. There are discussions underway addressed to the continuity of that program after the Commission goes out of operation.

Many of our publications have been undertaken in collaboration with other entities that will continue on. The handbooks that I showed you were done by the Commission with Scholastic, who will have them available for many years, I suspect.

One of our proudest grand accomplishments through the Teacher Training and Resource Development Program that the chairman discussed was to fund the creation of a resource center at Wake Forest University in North Carolina. It is called CRADLE, the acronym for Center for Research and Development of Law-Related Education, I believe.

CRADLE is indexing, cataloging and making readily available, even through telephone modem, to teachers around the country all of the learning materials developed during the period of the Bicentennial on the Constitution. That is going to be refined in the next two years, during the remainder of our existence, and will continue in perpetuity after we leave.

We see that as one of the key elements in our legacy responsibilities in the years ahead.

GRANT AWARDS

Mr. SMITH. You mentioned the grants. As I understand it, you had 293 applications for grants. If it hasn't been done, put in the record a listing of the applications you received, which ones were approved, one short sentence describing what they were.

Mr. ATHERTON. We already have that documentation at the Commission, round-by-round and also a summary. We will be happy to provide that to you.

[The information follows:]

APPENDIX A - BICENTENNIAL EDUCATIONAL GRANT PROGRAM

The following is a list of the Bicentennial Educational Grant Program awards for the fiscal year 1989. The grants are listed by state, but many affect teachers and students in more than one state.

ALABAMA

Auburn University held a two-week summer institute for 30 eleventh and twelfth grade social studies teachers. Participating teachers received 40 hours of instruction on the Constitution focusing on the historical development and functioning of the Executive and Judicial Branches and their foundations in the Constitution. Participants developed appropriate teaching strategies and explored the use of materials previously developed to use in high school classrooms. The participating teachers will act as resource personnel in their local school systems to improve the quality of instruction on the Constitution. It is estimated that the program initially benefited 2,100 students and can eventually reach all 11th and 12th grade students in the state. The total cost of the project was $74,067; they received an award of $60,444 from the Commission.

ALASKA

The Anchorage School District will conduct a one week teacher-training institute in June, 1990, for 30 master teachers. The Institute will have a statewide focus and will provide participants with detailed information about the U.S. and Alaska Constitutions as well as provide classroom teaching strategies and resources. Each day of the institute, participants will be addressed by U. S. legislators and original drafters of the Alaskan Constitution. Materials from SLICE, the Constitutional Rights Foundation, the Center for Civic Education, and the American Bar Association will be featured. Total cost of the project is $58,520; they received an award of $37,110 from the Commission.

ARIZONA

The Phoenix Union High School District will develop curriculum materials and teacher training activities for grades 9-12. The focus of these materials will be the Constitution as the foundation for judicial decision-making. Fifty teachers and 20,000 students are expected to be reached through this project. The total cost of the project is $62,504; they received an award of $51,904.

CALIFORNIA

Azusa Pacific University hosted a two-week teacher training project "Institute on the Principles of American Democracy." Designed for 30 twelfth-grade teachers from the Los Angeles area, the institute responded to the requirements of the newly established California Framework, specifically by adding depth and substance to the one-semester course required by the new Framework. An estimated 3,000 students will benefit. Total cost of the project is $76,740; they received an award of $48,125 from the Commission.

California State University, Chico conducted a two-week institute on the Constitution and the Presidency for 25 social studies teachers for grades five through twelve. The institute was devoted to exploring substantive issues and teaching methods and to developing lesson plans. The project also included three post- institute workshops. A resource book was developed during the course of the project and will be distributed throughout California and beyond. Twenty-five teachers and approximately 2,500 students directly benefited from the program. The total cost of the project was $81,153; they received an award of $70,633.

The Ninth Judicial Circuit Historical Society will develop materials on the history of the Bill of Rights in the American West and the Pacific. In the Summer/Fall 1990 issue of Western Legal History, the Society will publish eight selected essays. Based on these essays, the Society in collaboration with the Constitutional Rights Foundation will produce a teacher's guide to the text. The guides will be distributed with the journal to secondary schools throughout the nine state of the Ninth Judicial Circuit. It is estimated that 4,000 teachers will directly benefit from this project. The total cost of the project is $31,000; they received a grant award in the amount of $6,500 from the Commission to assist in the production of the teacher's guide.

The Sacramento LRE is sponsored a week-long summer institute for 40 teachers of grades 5, 8, and 11 & 12 on the historical and philosophical foundations of the Constitution and the Bill of Rights. The participating teachers were trained to be mentor teachers and are required to conduct regional and district workshops throughout the 1989-90 school year. The total cost of the project was $269,080; they received an award of $59,960.

COLORADO

The Boulder County Safeguard LRE Program, in partnership with the University of Colorado School of Law, Boulder Valley School District, St, Vrain School District, and the Colorado Department of Education will host a on-week summer institute for 40 teachers of grades 5 and 9. The topic of the institute will be the origins, history, and enduring principles of the Bill of Rights and subsequent amendments. Existing lessons and resources will be assembled for the resource guide and distributed to a minimum of 200 additional Colorado teachers. The project will also offer ongoing review and assistance to participating educators in the form of a follow-up workshop, and on-site teacher assistance. The total cost of the project is $75,814; they received a grant award in the amount of $44,664 from the Commission.

The Social Science Education Consortium, Inc. hosted a seven-day summer institute and post-institute activities for 23 elementary and middle school teachers. The program focused on Article I of the Constitution, its provisions, antecedents, and structure and explored the presidency and the Separation of Powers through the intensive study of six presidents: George Washington, Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Theodore Roosevelt, and Franklin Roosevelt. A resource guide was developed and in service training provided by participants with support from project staff. More than 500 teachers and 15,000 students will use this program. The total cost of the project is $50,006; they received an award of $39,351 from the Commission.

CONNECTICUT

The Connecticut Consortium for Law Related Education sponsored a week-long teacher training and curriculum development seminar for 21 middle and high school teachers. Addressing the need to explore the activities of the First Congress, the seminar was devoted to an intensive study of the deliberations, debates, and decisions in the First Congress. These teachers developed curriculum materials and learning activities appropriate for their students. A detailed follow-up incorporating field-testing and revision of the materials was a significant aspect of this project. The total cost of the project is $22,905; they received an award of $21,516 from the Commission.

DISTRICT OF COLUMBIA

The Council for Basic Education conducted a two-week institute designed to expand the base of knowledge of the U.S. Constitution and to provide staff development for 28 secondary school teachers in the D.C. Public Schools, enabling them to share experiences with colleagues in their local schools. An estimated 2,800 students will benefit. Socratic teaching methods to stimulate student involvement were highlighted. The D.C. Public Schools also supported this project. Total project cost is $49,930; they received an award of $45,630 from the Commission.

Kidsnet, Inc. created a compendium of Constitution-related educational materials for grades K-12 for present and future use by the educational community nationwide. The staff of Kidsnet, using its existing sources of information, compiled a comprehensive listing of Constitution-focused electronic and related print materials for educational use. The tested compendium was distributed through PBS affiliates nationwide and made available to State Boards of Education and the Commission for their distribution. Total cost of the project was $35,665; they received an award of $29,740 from the Commission.

The National Council for the Social Studies, Washington, D.C., will develop, field-test, and produce a poster series comprised of two sets of six posters each. These posters will be designed for use at all levels, with appropriate activities included on the back of each poster in the series. Dissemination will be by subscription, the funds from which will be placed in a revolving account used to support future related poster series. With an initial print run of 5,000 copies, an expected 150,000 students will benefit. Total project cost is estimated at $191,662; the Commission awarded a grant of $91,600.

The National Institute for Citizen Education in the Law (NICEL) will develop new lessons to complement the required ninth grade D.C. Public School course on D.C. history. NICEL will work with a cadre of constitutional scholars, the teachers who developed the original text, and the public school system. Once field-tested and revised, these materials will form the cornerstone of a two-week summer institute in July, 1990, for a minimum of 40 teachers; these teachers will go back and train their colleagues in school-based in-service. An estimated 6,000 students will be reached in the first year. Total cost of the project is $88,871; the Commission awarded a grant of $75,625.

The National Park Foundation has produced a 30 minute video tape, student books, and accompanying lesson plans called "Constitution Tools." These serve as classroom support materials for the "Constitution Works" program, a mock government program designed to teach students about specific principles and provisions of the Constitution, as part of the new Museum of American Constitutional Government at Federal Hall National Memorial in New York City. An estimated 25,000 students will participate in the project by the end of the 1989-1990 school year. The total cost of the project is $142,750; they received an award of $100,000 from the Commission.

The Shepherd Elementary School, a D.C. Public School, has expanded the D.C. Public Schools' Paideia Project through a variety of activities including the following: expanding teacher training in using the texts of American History and government for seminars with K-12 teachers; extending observation and evaluation of teachers throughout the Paideia system; providing materials for seminars; and making it possible to conduct seminars for key administrators in the D.C. Public Schools. An estimated 40 teachers, reaching over 1,000 students have benefitted from the Commission support of this project. Total cost of the project is $47,838; they received an award of $7,638 from the Commission.

GEORGIA

Kennesaw State College collaborated with the National Archives - Southeastern Region, the Georgia Department of Education, and seven secondary schools in the metropolitan Atlanta area to develop and distribute a supplemental teaching unit on the federal courts, and to provide a workshop for classroom teachers focusing on the Federal courts. The materials were distributed to a minimum of 100 classrooms for use beginning in the fall of 1989. The total cost of the project was $46,903; they received an award of $33,018 from the Commission.

IDAHO

The University of Idaho held a two-week teacher training and curriculum development institute on the evolution of the Constitutional Presidency. The Institute and the curriculum materials developed in it will focus on the major controversies over the executive that arose at the Constitutional Convention, the resolution of those controversies in the Constitution, and their continual resurfacing throughout American history. Fifteen secondary school social studies teachers from Idaho, Montana, and eastern Washington participated in this June 1989 project; an additional 75 were reached through in-service. An estimated 5,000 students will be reached the first year by the materials developed through the institute. Total cost of the project is $49,342; they received an award of $41,226 from the Commission.

ILLINOIS

The American Bar Association held a five-day summer institute for selected six-member teams from school districts/communities nationwide. Follow-up activities consisted of assistance and resources to the participating school districts, including a model site program for three selected school districts and an ABA Constitutional Fellowship Program for six teachers. In addition, the ABA maintains consulting and clearinghouse services available to a national audience. The project reached an estimated 356 teachers and 26,700 students. The total cost of the project is $158,090; they received an award of $104,501 from the Commission.

The Chicago Public Schools conducted a two-day training seminar for instructional coordinators on the subject of basic constitutional principles. The seminar followed up with in-service workshops for 1,000 teachers, reaching 30,000 middle school students in the Chicago Public Schools. The content addressed constitutional principles in general with some emphasis on the Legislative Branch and on the Federalist Papers. Project received support from the School System's Bureau of Social Studies staff and other offices. The total cost of the project was $70,004; they received an award of $7,704 from the Commission.

The Chicago Public Schools will produce audio-visual learning materials for eighth and eleventh grade students that will show specifically through court proceedings how the court system works. Activities will include writing a handbook of school-related court cases, making a video performed by students from two Chicago Public High Schools depicting these cases, and disseminating these tapes and handbooks to all Chicago Public Schools. The Commission awarded a grant of $9,946.

The Constitutional Rights Foundation, Chicago Office, received two grants from the Commission. The first grant is in support of an institute exploring the role of the Federal Judiciary in relation to federalism and the separation of powers for 30 junior and senior high school teachers. Follow-up activities include a fall 1990 conference on the Bill of Rights, two winter seminars, and a winter 1991 workshop. A total of 350 teachers and at least 1,500 students will be reached. Total cost of the project is $62,415; the Commission has awarded $46,415.

The second grant supports the development of an eight-week curriculum on the Bill of Rights. Designed for use by junior and senior high school students enrolled in English as a Second Language course, the materials will focus on principles contained in the amendments, and not only rights but responsibilities inherent in the Bill of Rights. Field-testing will take place in four major urban areas, with 2,000 students participating. The potential audience for these materials is 15,000 students. Total project cost is $164,468; the Commission awarded a grant of $152,720.

The University of Illinois at Chicago has developed a four-activity project to enhance and strengthen knowledge and understanding of the Constitution. Slices of Time is a series of 21 lessons to be produced and distributed to teachers at the beginning of the 1990-1991 school year. A week-long summer local institute is planned for 15 Chicago-area teachers. This institute will focus on the use of primary sources in the classroom. A one-day state institute workshop will take place in the fall at the Illinois Council for the Social Studies meeting to present materials to teachers and train teachers in their use. The national institute will be in November at the NCSS National Conference. The workshop will be a expansion of the state institute. The institutes will help publicize the availability of the lessons which are targeted for national dissemination. The project will reach an estimated 1,000 teachers nationwide and 100,000 students. The total cost of the project is 97,707; they received a grant award of 77,863 from the Commission.

INDIANA

The Organization of American Historians will produce a series of brief booklets on the issues raised by the provisions of the Bill of Rights. These essays, each devoted to one or more related sections of the Bill of Rights, will be designed to be of use to teachers at the secondary level. At the end of each will be appended a short, annotated bibliography that is suitable for both teacher and student. Each topic will be treated in a format that can stand alone or be used in conjunction with the others in the series. Dissemination will take place through a variety of meetings and publications sponsored by the OAH and its affiliated organizations. Total cost of the project is $72,821; the Commission awarded a grant of $52,193.

IOWA

The Loess Hills Area Education Agency conducted the second of a planned series of four in-service programs on the Constitution for 25 K - 8th grade teachers, representing the 33 community school districts and 12 non-public schools in Southwest Iowa. The training consisted of a two-week summer institute structured to use collaborative learning strategies and seminars showcasing the applications of the developed classroom strategies. The total cost of the project is $14,048; they received an award of $9,993 from the Commission.

MAINE

The University of Southern Maine conducted the first of a three-year plan to extend and integrate earlier projects funded by the Commission through the Maine Humanities Council which included: a summer institute and several regional one-day seminars for 90 educators to provide instruction on specific subject matter and a pedagogical model for teaching other constitutional material; continued work with the community of educators created through the Commission-funded 1987 Constitutional Institute; expansion of the 1988 Commission-funded curriculum writing project on Maine's role in ratification; the establishment of a library of curricular materials on the Constitution; and the development of appropriate materials for use in adult education. Approximately 40 school systems will be using the program at the end of the first year. The total cost of the project is $111,465; they received an award of $93,836 from the Commission.

MARYLAND

The Maryland LRE Program Center for Development will host a two-week summer institute for 25 middle and secondary teachers as part of a project on the history of the Bill of Tights and the constitutional issues surrounding the application of its amendments. Classroom activities will be developed at the institute, and four regional conferences will be held after the institute to help teachers with the implementation of the materials. It is estimated that 75,000 students will be touched by the program. The total cost of the project is $105,114; they received a grant award of $60,027 from the Commission.

The INTEC division of the Maryland State Department of Education is developing a 20-minute video and supplemental teacher's guide on the Bill of Rights for use in upper elementary and middle schools. Follow-up in-service, summer institutes, workshop programs, and local TV will introduce the materials to teachers in Maryland, with potential distribution through WETA television in Washington. The impact of this project will be felt throughout the state of Maryland, and potentially, throughout the nation.

The Prince George's County Public Schools (Board of Education) will host a two-week summer institute on the Constitution for 40 social studies teachers of all grade levels and library media specialists. During the institute, participants will develop specific projects to enhance the teaching of the Constitution at their home school, utilizing multi-media materials. In the fall of 1990, the institute participants will host in-service workshops for the 400 teachers and 172 media specialists in their school system. It is hoped that this project will reach all of this school system's 6,000 elementary and secondary teachers. The total cost of the project is $116,793; they received a grant award of $74,793 from the Commission.

MASSACHUSETTS

The New England Foundation for the Humanities is providing schools with a broadcast-quality version of the play "The Other Boston Tea Party." Distribution began with a live performance of the play, and will be followed by a scholar-led lecture/discussion at the Northeast Regional Conference of Social Studies in March 1989. Copies of the video tape will be available to schools and teachers at cost. In addition, arrangements for follow-up workshops has begun in each New England state, for PBS broadcast, and distribution through Films for the Humanities. The materials are being presented to over 3,000 teachers and their students. The total cost of the project is $131,557; they received an award of $18,881 from the Commission.

MINNESOTA

Mankato State University hosted an institute for 30 secondary teachers in southern Minnesota on the Executive and Judicial Branches of the government. Two follow-up sessions were held in autumn 1989 for the institute participants in preparation for in-service training of their peers throughout the region during winter 1990. More than 3,750 students directly benefited from the program and an additional 300 teachers were reached through the in-service training programs. The total cost of the project was $79,852; they received an award of $52,537 from the Commission.

Mankato State University will be hosting another summer institute in 1990, which is modeled after their 1989 institute. Thirty teachers again will be chosen to participate in this institute focusing on the history and principles of the Constitution with an emphasis on the Bill of Rights and its subsequent amendments. It is estimated that about 4,000 students will directly benefit from this project directly. The total cost of the project is $80,868; they received a grant award of 55,248 from the Commission.

MISSOURI

The St. Louis Public Schools will sponsor an institute and ancillary activities on the Bill of Rights for elementary and middle school students. Twelve interdisciplinary teams of three teachers each will participate in the three week institute in July, 1990, which will focus on the meaning and understanding of the Bill of Rights through studies of the context in which it was developed. An estimated 300 teachers will be reached through follow-up activities, in turn reaching an estimated 9,000 students. The Commission will award no more than $66,650 in support of this project.

NEW JERSEY

Rutgers University will host a three-week summer institute for 25 middle and secondary school teachers from New Jersey. The topics of the institute will be the philosophical and historical origins of the Constitution, the Bill of Rights and the 14th Amendment, and the evolution of the Presidential selection process. There will be particular attention to recruiting teachers of Black and Hispanic students. Under the guidance of a mentor teacher, each teacher will develop a teaching unit on the Constitution. All of the materials will be published and disseminated throughout the New Jersey-New York region. It is estimated that 2,500 students will directly benefit from this project. The total cost of the project is $129,126; they received a grant award in the amount of $72,248 from the Commission.

NEW YORK

City School District of New Rochelle, in teams of four to six teachers, developed units of study on ten major issues on the Constitution. The units were presented in chronological order with study questions, bibliographies, and instructional strategies. An in-service training session was held for all secondary social studies teachers in New Rochelle and other districts in Westchester County. Approximately 140 teachers and 5,000 students benefited from the project initially. The total cost of the project was $9,696; they received an award of $9,696 from the Commission.

Forest Hills High School will develop, reproduce, and disseminate four "Jigsaw Cooperative Learning Strategies" for the Bill of Rights. Each strategy will include a hypothetical case, work sheets, and abstracts of relevant precedent Bill of Rights cases. An instructor's manual and resource guide will also be developed. These materials will be disseminated at the Statewide Law Related Education Convention in New York and the NCSS National Convention in St. Louis, as well as at local and regional conferences and in-service workshops. An estimated 600 teachers and 7,000 teachers will benefit directly from this project. The total cost of the project is $17,410; they received a grant award of $10,759.

The New York State Bar Association hosted an institute which focused on the creation and development of the Legislative and Executive Branches of government with special emphasis on the unique relationship between the military and these two branches of government. The program trained 27 master teachers who, in turn, have trained an estimated 1,500 teachers through in-service workshops. Through this in-service, a variety of print materials have been disseminated to teachers and students throughout New York State. The total cost of the project is $135,600; they received an award of $85,600 from the Commission.

The Northport-East Northport UFSD is sustaining ten regional teacher training centers which train 1,000 teachers in the use of exemplary instruction programs, media, and constitutional activities to help improve students' knowledge of the first Presidential inauguration, the first Congressional debates about the Judiciary Act of 1798, and the first session of the U.S. Supreme Court. It is estimated that the program will reach 500,000 students in the state of New York. The total cost of the project is $109,547; they received an award of $109,547 from the Commission.

The Port Washington UFSD developed a program which made available to classrooms throughout New York The Triumph of the Constitution, an original play which communicates the transition which occurred as delegates to the New York ratification convention wrestled with the Federalist and anti- Federalist positions. A study guide was also developed, and both were distributed throughout Long Island and to all New England states. The total cost of the project is $10,785; they received an award of $9,578 from the Commission.

Project LEGAL, in conjunction with the Central New York Bicentennial Consortium, created, tested, and disseminated Constitution-related instructional materials for learning disabled (LD) and remedial reading (RR) students. The project reached as many as 500 teachers and perhaps 10-15,000 students in New York State. The final product was distributed on a limited basis in New York State. The total cost of the project was $109,626; they received an award of $48,917.

NORTH CAROLINA

The Center for Research and Development in Law-Related Education (CRADLE), housed at the Wake Forest University School of Law, will develop an interactive video program and accompanying teacher's guide of supplemental resources and activities on the Supreme Court and the Bill of Rights. The project will be targeted for middle and secondary school students and may be utilized by a teacher in the classroom or by a student on his/her own. An estimated 150 teachers and 22,500 students will benefit directly. Total project cost is $155,630; they received an award of $103,680.

The Center for Research and Development in Law-Related Education (CRADLE) continues to develop its clearinghouse program and also will sponsor a one week summer institute which will bring together 70 educators from across the country who have developed Constitution-related curricula. These experienced teachers and project directors will meet to increase their knowledge of existing materials, to share ideas for expanding the distribution of these materials, to discuss new ways of helping teachers teach the Constitution, and to identify new projects that could draw upon the SLICE program. Total project cost is $347,243; they received an award of $157,140.

The North Carolina Bicentennial Commission sponsored a three-part project centering on the 1989 James Iredell Institute, a week-long training program for 32 secondary school social studies teachers known as "Iredell Fellows." "The Courts and the Constitution" was the focus of the summer institute. Four regional two-day workshops for social studies teachers were held in fall, 1989. The North Carolina Commission produced and distributed 3,000 copies (one to each public and private secondary school teacher in North Carolina) of a booklet summarizing the discussions of the Iredell Institute. The total cost of the project was $94,317; they received an award of $59,777 from the Commission.

OKLAHOMA

The Oklahoma State University College of Arts and Sciences is creating an electronic computer Bulletin Board of original text, commentary, and lessons for classroom use on The Federalist Papers. Prospective users include grade levels seven through college, with material applicable to both the student and teacher. They received an award of $63,520 from the Commission.

OREGON

The Oregon Law-Related Education Program conducted a summer institute for 30 teachers selected from 10 school districts in Oregon. The topic of the institute was "The Supreme Court's

Review of Presidential Power." Teachers examined curricular materials for elementary and secondary students and each developed a model lesson plan which was included in a booklet of new lessons. Participants conducted a three-hour in-service training for 25 teachers each, reaching over 250 elementary and secondary teachers, and served as a resource person using the "We the People" curriculum and new lesson materials. The total cost of the project was $67,198; they received an award of $46,698 from the Commission.

The Oregon Law-Related Education Program will conduct a three-day seminar in January 1990 for 30 elementary and secondary master teachers on the role of the Judiciary in shaping American History. In February a follow-up Saturday session will be held to clarify issues they have attempted to address in their classrooms and to critique lesson materials developed at the January seminar. Thirty lessons then will be reviewed and edited for publishing in a booklet form. The thirty master teachers will be paired to conduct awareness workshops for teachers in their areas. The new lesson materials will be distributed at these workshops. It is estimated that 300 teachers will be reached directly through this project. The total cost of the project is 120,012; they received a grant award of $39,506 from the Commission.

PENNSYLVANIA

The Pennsylvania State University will develop an interactive television course entitle "Citizenship." The project will involve the writing of ten scripts, the creation of a teacher's guide, and the drafting of a companion textbook. Developed with staff at PBS, the program will take advantage of PBS's new data storage and retrieval technology, allowing large amounts of background information to be efficiently transmitted via the TV screen. Content will examine the subject of citizenship in a broad historical and philosophical context, making ample use of primary materials; the program will be multidisciplinary. Total cost of the project is $200,076; the Commission awarded a grant of $105,090.

The School District of Philadelphia will provide law-related education curricula and materials to teachers and principals in the school district. These materials will be developed and exchanged with teachers at two training sessions focusing on the use, application, and adaptation of such things as mock trials, moot courts, brief writing, and general knowledge of the judicial system. An evaluation conference will close the school year. As many as 1,000 teachers and 31,000 students could potentially participate in this program. Total project s cost is $117,918; the Commission will award a grant not to exceed $65,000.

RHODE ISLAND

The University of Rhode Island sponsored a two-week institute focusing on the Judicial Branch of government. Representatives from all 40 Rhode Island state school districts were in attendance and will act as resource persons upon completion of the project. After the institute, each participant coordinated a school-based workshop for teachers in school. The project reached an estimated 60,000 students through the state-wide teacher conferences. The total cost of the project was $29,211; they received an award of $29,211 from the Commission.

SOUTH CAROLINA

The South Carolina Bar Foundation is developing and producing four one hour television/videotapes providing substantive discussions and classroom activities for all levels of students. Eight written lesson guides will be developed to accompany these new programs as well as the four previously funded by the Commission. These new programs will reach somewhere between 5,000 and 20,000 teachers and 100,00 to 1 million students. Total cost is over $62,000; they received an award of $36,900.

The University of South Carolina held a two-day conference which focused on Congress and the Executive Branch. Fifty secondary teachers from across South Carolina participated in this five-session project. The conference consisted of lectures and discussions, and each teacher presented a sample lesson plan. It is estimated that 5,000 students directly benefited from this project. The total cost of the project was $12,486; they received a grant award in the amount of $13,635.

TENNESSEE

Vanderbilt University will develop an interactive video project, employing "state of the art" technology, to improve the teaching and learning of the Bill of Rights at the junior high school level. Phase I of the project will produce 14 lessons, plus a reference database of background materials including those generated by Commission-sponsored projects. The database will use the "hyper text" reference system and will offer an "on-line notebook." The interactive audio and video components will be added later. The JHM Corporation will join the Education Excellence Network, the AFT, and Freedom House in the project. Total cost of Phase I of the project is $309,766; the Commission awarded a grant of $164,000.

TEXAS

The Association for Retarded Citizens of the U.S. (ARC) is sponsoring a one-year project which will develop ancillary enrichment instructional materials on the Bill of Rights for special education teachers and will also develop elementary and secondary bibliographies of existing materials on the Constitution that are suitable for use in special education classrooms. The enrichment materials will consist of three cartoon-style books, games, a bulletin board, and miscellaneous items. ARC will disseminate the finished products nationally through its network of 1,300 state and local chapters and through its close connections with national organizations serving special educators and students with mental retardation. The total cost of the project is $73,586; they received a grant award in the amount of $65,782 from the Commission.

The Intercultural Development Research Association (IDRA) developed a set of instructional materials to teach citizenship to adults who are applicants for amnesty under the Immigration Reform Act of 1986 and to help these adults teach citizenship skills to their own school-aged children. The materials included a 30-minute videotape that emphasizes good citizenship skills and how parents can instill these in their children and instructional modules to emphasize the lessons. The materials were initially used by 1,200 children and their parents. The total cost of the project was $107,305; they received an award of $91,827 from the Commission.

Southwest Texas State University hosted a three-week institute for 30 secondary (7-12) school teachers. The institute focused on the study of Congress and the development of the Executive Branch. Within one year, more than 4,500 students will be reached--many more after in-service training prepares additional teachers. The total cost of the project is $87,570; they received an award of $66,640 from the Commission.

Southwest Texas State University will host a summer institute, "The Constitution and the Federal Judiciary," for 30 secondary school teachers. Six activities will be undertaken: 1) small seminars, 2) series of lectures and discussions, 3) workshops, 4) revision of lesson plans, 5) written assessments of individual school resources, and 6) in-service training sessions. Total project cost is $98,096; they received a grant of $70,500.

UTAH

The Ogden Area History Teaching Alliance, Davis and Weber Counties, is conducting the replication of a successful secondary school History Teaching Alliance program for elementary school teachers. A strong program emphasizing the historic origins and development of our constitutional system of government, this program includes an intensive two-week summer seminar, held in 1989, follow-up monthly seminars, and three special workshops to focus on available resources, which are being held throughout the 1989-90 school year. A strong program emphasizing the historic origins and development of our constitutional system of government The total cost of the project is $30,900; they received an award of $13,650 from the Commission.

Through a prior grant from the Commission, the Utah LRE Project implemented a pilot program, "Teaching About the Constitution Through Literature." The Utah State Office of Education in conjunction with the Utah LRE Project will further institutionalize the study of the BIll of Rights and the Constitution with literature and writing in elementary and middle schools. The teacher involved in the program will develop a collection of original constitutional stories, plays, and mock trials that will be made available nationally. Two training seminars, one in New Mexico and one in North Carolina, will be conducted to implement this program nationally. Forty Utah elementary and ten middle schools will receive training. It is estimated that at least 35,000 students will be touched by this project. The total cost of the project is $114,900; they received a grant award in the amount of $79,600 from the Commission.

VIRGINIA

The John Marshall Foundation, incorporated by the Virginia Bar Association and the Association for the Preservation of Virginia Antiquities, will sponsor a four-day teacher training Institute entitled "The Role of the Judiciary in Resolving Separation of Powers Issues" in June, 1990, for 48 middle and high school teachers The project will provide participants with materials and substantive information on the role of the Judiciary in mediating the continuing and necessary tension among the coordinate branches of our government. Included in the materials used are the "Equal Justice Under Law" series, lessons from the CCE secondary text "We the People...," "Jefferson Meeting" workbooks and guide, and source material compiled from original documents. Approximately 5,000 students will immediately benefit from this project. Total cost of the project is $69,209; they received an award of $55,589 from the Commission.

WISCONSIN

The University of Wisconsin at Whitewater will host a six-week summer institute on the American Judiciary for 30 middle and secondary school teachers. Classroom materials will be developed at the institute. Teachers participating in the institute will integrate these new materials into their curricula. There will be follow-up meetings in the fall to help teachers with the integration. It is estimated that 800 students will be reached directly through this project. The total cost of the project is $36,377; they received an award in the amount of $36,377.

APPENDIX B - BICENTENNIAL EDUCATIONAL GRANT PROGRAM

The following is a list of the Bicentennial Educational Grant Program awards for the fiscal years 1987 and 1988. Within each year, the grants are listed by state, but many affect teachers and students in more than one state.

FISCAL YEAR 1987

CALIFORNIA

Auxiliary Services Enterprises, Inc., of California State University at Los Angeles completed the development of a set of 38 lessons on the Constitution for use in the eighth grade, and an accompanying teacher's guide. The immediate audience are the 32,000 LAUSD eighth grade students; it is possible, however, that these materials will be published by the Social Science Education Consortium, thereby making them available for national distribution. The total cost of the project was $43,554; they received an award of $34,843.

The California State Department of Education received a grant to support a two-week institute for 45 primary and secondary teachers. The institute was divided into three parts: a core seminar, discussions with visiting scholars, and development of teaching plans. Focus was on the deliberations and debates that led to the formation and adoption of the Constitution, the philosophical and historical antecedents of American Constitutionalism, and the social, political, and intellectual context of the American founding. Every participant developed a lesson plan with the assistance of master teachers and the resource staff provided by CSDE. The total cost of the project was $99,820; they received an award of $42,500.

A grant was awarded to the Long Beach Unified School District to support an on-going, multi-faceted project. Specifically, funding was given to the "Constitutional Forum" component of this project. The Forum was held four times during the 1987- 1988 school year to provide teachers with a strong, substantive background on the Constitution and to identify classroom applications of this knowledge. One hundred and forty teachers participated in the initial program; ultimately, all 3,185 teachers and 65,000 students in the school community were to be reached. The total cost of the project was $112,742; they received an award of $13,677.

COLORADO

The Colorado State Department of Education developed an elementary curriculum guide which was distributed to all 767 elementary schools and 115 middle schools in the state of Colorado, as well as to each State Department of Education. "An abundance of requests" for additional copies were made, thus requiring a reprint. The total cost of the project was $61,961; they received a grant of $49,060.

The Social Science Education Consortium, Inc. was awarded a grant to support a one-week summer institute for 25 elementary and middle school teachers. Chief among the goals of the institute was to increase participants' knowledge of the Founding era, demonstrate how an integrated or multidimensional humanities perspective can help teachers view the ideas in the Constitution and the cultural context in which it was written, and provide teachers with direction in developing lessons that help students view school rules, personal relationships, and social expectations in the context of the Constitution. Participants held in-service programs reaching a total of 260 teachers. The total cost of the project was $34,114; they received an award of $24,064.

CONNECTICUT

The Connecticut Humanities Council was awarded a grant to support a four-week teacher training course on the Constitution for 20 teachers. The project required each participant to go back and provide in-service training for at least ten teachers in their home school districts. This had an immediate affect on 15,000 students throughout state based on estimates that each teacher reached 75 students. The total cost of the project was $42,355; they received an award of $29,199.

DISTRICT OF COLUMBIA

The American Studies Center developed a 44-minute (two 22-minute segments) videotape of the 1787 Constitutional Convention, "A Republic If You Can Keep It: The Making of the U.S. Constitution," was partially underwritten by a grant from the Commission. The total cost of the project was $140,240; they received a grant of $50,000.

A two-week institute for elementary school teachers was held in August, 1987, at the Catholic University of America. Thirty teachers participated in a series of lectures and workshops on the Constitution. Teachers were introduced to existing materials that are appropriate for use in an elementary school classroom. The total cost of the project was $61,787; they received a grant of $49,429.

The History Teaching Alliance, a project of the American Historical Association, received a grant to support 14 year-long seminars on the Constitution for elementary and secondary school teachers. Located in 12 states, each seminar consisted of a collaborative program engaging 4-5 university teachers and 15-20 elementary and secondary school teachers. Each project began with a two-week summer institute followed by monthly seminars throughout the year. These seminars are on-going and continue to provide support and resources for participating teachers. The total cost of the project was $316,570; they received a grant of $100,000.

GEORGIA

The Vinson Institute of Government at the University of Georgia was awarded a grant to support a three-day conference for 45 teachers and curriculum coordinators from Georgia, South Carolina, and Alabama. Participants studied The Federalist Papers, "Constitution 200 Reader," "This Constitution: Our Enduring Legacy," and "Witness and Creation: Madison, Hamilton, Jay and the Constitution." Original lesson plans were developed, edited, and distributed to participating school districts. The total cost of the project was $85,705; they received an award of $20,887.

KANSAS

Dr. James B. Schick of Pittsburg State University received a grant to develop a computer-based simulation of the Constitutional Convention and the ratification process. Dr. Schick tested the material with his survey of U.S. History students late in the fall semester, and tested it again in the spring semester. The total cost of the project was $14,431; he received an award of $10,000.

KENTUCKY

A grant was made to the Jefferson County Kentucky Public Schools in support of a ten-day teachers' institute with two days of follow-up during the school year. A total of 44 teachers participated, 28 from the elementary level and 16 middle and secondary teachers, in a program designed to increase teacher understanding of the Constitution. Eight participants did in-service in their home schools and all organized celebrations for the 16th and 17th of September. Activities developed during and since the institute have been shared districtwide through a "Constitution Gazette Newsletter." The total cost of the project was $95,960; they received an award of $55,000.

LOUISIANA

Professor John S. Baker of the Louisiana State University Law Center received a grant to support a summer seminar on The Federalist Papers. Twenty-eight teachers participated in this program which was designed to familiarize secondary school teachers with the writings and ideas of the Federalists and Anti-Federalists. Approximately 1,100 students benefited directly from their teachers' improved understanding. The total cost of the project was $28,832; they received an award of $20,162.

MAINE

The Maine Humanities Council received a grant to support a three-phase institute for elementary and secondary school teachers. Thirty-five teachers representing 14 school districts attended the initial conference. Teachers developed curricular units on Constitutional history and provided leadership for projects in their schools. A total of 238 teachers participated in in-service projects, and reached approximately 1,540 students. The total cost of the project was $128,038; they received an award $50,000.

MARYLAND

A grant was made to the Anne Arundel County Public Schools to support a two-week summer institute in national and state Constitutional history. The 30 participants in this program were able to draw upon the historical resources of the region and incorporated these resources into lesson plans and a resource guide for distribution throughout the entire school system. The total cost of the project was $30,175; they received an award of $19,224.

MASSACHUSETTS

The Massachusetts Council for Social Studies received a grant to support a series of research activities for 355 secondary school teachers and their students. The project culminated in a re-creation of the Massachusetts Convention and the publication of a re-enactment guide, a tabloid newspaper, and research booklet. Participating teachers and students conducted research on delegates from their particular town or city. The total cost of the project was $169,390; they received a grant of $50,000.

MISSISSIPPI

The Mississippi Committee for the Humanities was awarded a grant to support a teachers' training conference held on November 17-18, 1987. The program materials have been made available to every high school in the state. One hundred teachers, four scholars, and several consultants participated. The total cost of the project was $72,900; they received an award of $14,227.

Rust College received a grant to support a three-week institute for 30 high school teachers. The purpose of the institute was to provide the participants with a better understanding of the founding period, the structure of the Constitution, and its historical development. Two unit plans were developed for use in teaching about the Constitution at the junior high and senior high school levels, and these materials were field-tested. The total cost of the project was $56,218; they received a grant of $47,652.

NEW YORK

Hofstra University was awarded a grant to support a three day workshop for 30 elementary and secondary teachers to educate them about our constitutional heritage including the Bill of Rights. was $95,960; they received an award of $55,000.

The New-York Historical Society received a grant to support a ten-part radio series, a half-hour videotape, accompanying teacher and student guides, and workshops for teachers and administrators. Teacher and student materials were distributed to over 1,000 school district and school building supervisors; conservatively, four teachers in each school made use of these materials, directly reaching an estimated 13,000 students. The total cost of the project was $67,950; they received an award of $50,000.

NORTH CAROLINA

The Center for Research and Development in Law-Related Education (CRADLE) at Wake Forest University received two grants under the FY '87 grant program. The first was to support SPICE III, a three-week institute and curriculum development program during July of 1988 for 25 elementary school teachers from around the nation. Following the institute, the participants continued to develop, test, and demonstrate the new materials in their classrooms. Over 3,150 teachers reaching an estimated 94,500 students used the materials. The total cost of the first project was $108,443; they received an award of $85,000. The second, a supplemental grant for $9,692, was to underwrite a conference for the development of an implementation plan for a national resource depository for materials on the Constitution.

NORTH DAKOTA

The Bureau of Governmental Affairs of the University of North Dakota received a grant to support the development of a general course of lessons on the Constitution designed for upper elementary students. The materials have been distributed to all school districts in North Dakota reaching 15,000 to 20,000 students. The basic thematic areas covered were historical origins, the Articles of Confederation, the Convention, the Ratification debates, the structure and principles of the document, and the Bill of Rights. The total cost of the project was $7,144; they received a grant of $3,865.

PENNSYLVANIA

"The Constitution and the Franchise," a teacher-training institute sponsored by the Pennsylvania Humanities Council, was held during the week of July 20-24, 1987. Forty-five teachers and nine lecturers/discussion leaders participated for four days of study on the Constitution and discussed methods for bringing that study into the classroom. Two evening sessions were held which drew an additional 60 members to the audience. An estimated 100 students per teacher were directly affected as a result of this project. The total cost of the project was $74,081; they received a award of $49,961.

VERMONT

The Vermont Department of Education received a grant to help support a five-day summer institute on major constitutional themes. Twenty-one teachers with responsibilities to over 1,000 students participated. The Institute's proceedings were videotaped and have been made available for teacher training throughout the state. The total cost of the project was $23,467; they received a grant of $12,317.

VIRGINIA

Dr. George Blume of the Virginia Polytechnic Institute received a grant to write "The Constitution: Little Short of Miracle" for an elementary school audience. The material has been requested by organizations nationwide. The Grant Staff is exploring possible avenues of dissemination for this play. The total cost of the project was $25,185; he received an award of $5,900.

The Virginia Department of Education received a grant to support the development of a booklet on the drafting and ratification of the Constitution. The booklet consists of an essay detailing the political conditions which led to the calling of the Constitution Convention, the premises under which the framers operated, the structure of the Constitution as a reflection of contemporary political thought, and the debate over ratification. The second part of the booklet consists of primary resource material illustrating the main points of the essay. Lesson plans and teaching strategies are also included. The booklet was distributed at the annual state conference for social studies teachers. The total cost of the project was $7,650; they received a grant of $7,000.

WASHINGTON

A grant was awarded to the YMCA of Greater Seattle to support a three-day conference for 40 middle school teachers. Teachers received training in the use of lesson plans prepared by ten teachers during a similar conference in 1986. Teachers also studied a series of handbooks containing primary source materials, bibliographies, and essays, compiled by the Washington Commission for the Humanities. The total cost of the project was $37,456; they received an award of $25,463.

WISCONSIN

Nicolet High School received a grant for a two-day conference/workshop for 40 secondary school teachers. Participants agreed to present a teaching unit on the Constitution in their school upon completion of the workshop and returned for a follow-up discussion and evaluation session. The conference was held on November 1-3, 1987. The total cost of the project was $30,000; they received an award of $25,000.

The University of Wisconsin System-Parkside was awarded a grant to support a three-day conference for elementary and junior high school teachers, followed by a one-day meeting of participants and four dissemination seminars. Teachers received instruction on the Constitution and its historical background. Afternoon sessions were devoted to curriculum development. Forty-four teachers attended, reaching over 2,025 students in their classrooms. The first dissemination seminar was held during the "Sharing Fair" sponsored by the Regional Staff Development Center. The total cost of the project was $30,214; they received an award of $23,176.

FISCAL YEAR 1988

ALABAMA

Auburn University sponsored a four-week summer institute for 30 middle school teachers which provided intensive instruction on the Constitution, emphasizing ratification and the development of the Legislative Branch, as well as providing assistance in developing teaching strategies, activities, and curricular materials. Auburn concentrated on fifth and eighth grade instruction, to ensure that the approximately one-third of Alabama students who drop out before the eleventh grade get at least the basic information about the Constitution and the government. An estimated 4,500 students benefited. Total project cost was $77,583; they were awarded a grant of $73,137.

The University of Montevallo sponsored a one-day conference for 30 secondary school teachers on the topic "The Second American Revolution: The Ratification of the Constitution." Activities focused on constitutional government, federal government, republican government, and separation of powers. Direct student benefit is estimated to be 3,000. Participants, however, will share the information and skills they acquire with other teachers from their schools during in-service sessions. Total project cost was $6,787; the Commission awarded a grant in that amount.

Stillman College created instructional materials on the Constitution for grades K-5 in four inner-city elementary schools. Following a one-day workshop on basic constitutional themes, teaching strategies, and the social studies curriculum, participants gathered to develop sample curriculum units and materials appropriate for use in their classroom. An estimated 800 students benefited from the project. Total project cost was $8,325; the Commission awarded a grant of $7,325.

ARIZONA

The Tucson Unified School District sponsored three in-service workshops for 42 teachers from 15 elementary schools; the workshops allowed teachers to develop new and share existing resource material on the Constitution; follow-up sessions which allowed teachers to review lesson plans and make evaluations and revisions based on classroom use were held. Total project cost was $24,169; the Commission awarded a grant of $9,229.

CALIFORNIA

The Foundation for California State University, San Bernardino sponsored a three-day conference on Congress and the separation of powers for 35 secondary teachers. Top-notch scholars in the fields of law, political science, and history lead the daily workshops and panel discussions. It is estimated that 3,500 students directly benefited from the program. The total cost of the conference was $34,735; the Commission awarded a grant of $27,635.

The Foundation for California State University, San Bernardino sponsored a six-day institute for 30 supervising teachers and 30 teachers enrolled in the University's teacher certification program, with a follow-up conference to demonstrate materials developed during the conference. Participants worked in two-person teams during the conference to strengthen their understanding of the Constitution and develop classroom materials. Teachers represented primary, middle, and secondary schools. Approximately 6,000 students directly benefited from the conference. The total cost of the project was $32,427; the Commission awarded a grant of $22,503.

The California State University, Chico, sponsored a two-week training seminar for 25 teachers of grades 5-12 on effective teaching strategies on the Constitution. A resource book was developed and distributed to participants and school districts in Northern California's 17 counties. Total project cost was $77,402; the Commission awarded a grant of $66,770.

AMICUS, a non-profit organization for the hearing impaired, continues to work to produce a videotape with open captions for the hearing-impaired on the meaning of the Constitution for use by primary and secondary hearing impaired students. The videotape is to use sign language and be accompanied by a resource guide. In addition, both the teacher's guide and student guide is to be made available in Braille format. The teacher's guide will direct teachers to additional materials on the Constitution and the student guide will contain the text of the video as well as illustrations. The total cost of the program and the amount awarded by the Commission is $106,700.

The Citizenship and Law-Related Education Center for the Sacramento Region sponsored a year-long Constitution Mentor Teacher Institute for forty 5th, 8th, 11th, and 12th grade teachers, reaching 2,000 students. The institute included a five-day summer institute at California State University, Sacramento, and ten one-day meetings conducted monthly during the school year. This project prepared teachers in the philosophical foundations of the Constitution and the Bill of Rights, identified and distributed high-quality curricular materials and lesson plans, and publicized community resources that support bicentennial education and strengthened relationships with local bicentennial commissions. Total project cost was $473,866; they received a grant of $61,787 from the Commission.

The Chaffey Joint Union High School sponsored a three-phase program for both teachers and students. Phase One trained teachers in content and teaching strategies for the Constitution. Phase Two provided the teachers with an opportunity to create model lesson plans for classrooms throughout the region. Phase Three saw teachers participating with 525 students in a model congress. The first two phases were funded by the Commission. Total project cost was $120,337; the Commission awarded a grant of $44,816.

The Santa Clara County Office of Education developed a new training model to strengthen teachers' capacity to teach the Constitution through a training program based on the eighth-grade component of the National Bicentennial Competition. Santa Clara personnel field-tested the component, developed a 30-minute training videotape, provided training for 50 eighth grade teachers, and disseminated descriptions and evaluations of the model, the videotape, and other videotapes of training sessions. An estimated 3,750 students directly benefited. Total project cost was $77,675; the Commission awarded a grant of $21,701.

William B. Allen, through Harvey Mudd College, developed a full-scale curriculum based on the radio drama "Dateline 1787." The 14 part audio cassette program depicts the Constitutional Convention of 1787 and consists of 14 half-hour programs plus attendant guides for teachers and workbooks for student. The tapes were re-edited for classroom use, the production script conformed to the finished tapes for inclusion in the study materials, and illustrated teacher guides and student workbooks were developed. Total project cost was $71,457; the Commission awarded a grant in that amount.

CONNECTICUT

The Connecticut Consortium for Law-Related Education sponsored a summer institute for 32 teachers from grades 5, 8, 11. Teachers were trained by constitutional scholars on the concepts and history of Federalism in the Constitution. The teachers produced a written curriculum, including a bibliography of background materials, on an aspect of Federalism for the three different grade levels. An estimated 3,200 students directly benefited from the project. Total project cost project was $29,367; the Commission awarded a grant of $6,000.

The Connecticut Consortium for Law Related Education conducted a one-day in-service training workshop on the National Bicentennial Competition for 120 elementary and junior high school teachers. In addition, funds provided through this grant enabled the Teacher Coordinator within each congressional district to provide continuing assistance to teachers as the Competition was implemented. At least 3,600 students benefited from the program. The total cost of the project was $19,740; they received an award of $4,500 from the Commission.

Area Cooperative Educational Services provided 30 high school teachers with three two-hour in-service training sessions within a framework provided by the National Bicentennial Competition on the Constitution and the Bill of Rights. Sessions focused on the Constitutional Convention, the establishment of the government under the Constitution, and the fundamental rights guaranteed by the Constitution. The project, through the use of video tapes, ultimately reached more than 1,500 teachers and more than 50,000 students. The total cost of the project was $117,212; they received an award of $10,252 from the Commission.

The University of Hartford, College of Engineering, sponsored a five-day institute in February 1989, for 50 science and history teachers reaching 7,500 students in Connecticut and New York middle and high schools. The institute looked at Article I, section 8 of the Constitution which gives Congress the power "to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." Participants gained a better understanding of how this constitutional provision became the basis for copyright and patent laws that have played a major role in stimulating innovation and encouraging creativity in many fields. Total project cost was $36,468; they received an award of $32,735 from the Commission.

DELAWARE

The Delaware Heritage Commission developed a resource packet for grades 5, 9, and 12. The packet includes primary source materials, documents, a glossary of terms, a pre- and post-test, a bibliography, and curriculum-related material appropriate for each grade level. The packet was distributed to approximately 1,000 teachers throughout the state. The project reached as many as 30,000 students. The total cost of the project was $35,713; they received an award of $20,822 from the Commission.

DISTRICT OF COLUMBIA

The American Political Science Association conducted a three-week summer institute for 25 master teachers selected as James Madison Fellows in 1988. The outcome of the institute was a heightened appreciation of, and extended offerings about, the Constitution in the schools and communities of the participants. Another outcome was the demonstration of a format for a summer institute that provides needed resources and support so that teachers are more likely to share what they have learned and enlarge the audience for the education offered at the institute. Each master teacher trained 100 teachers after the institute. The total cost of the project was $68,260; the Commission awarded a grant in that amount.

The National Trust for Historic Preservation has developed an education program at Montpelier designed to help elementary and secondary students understand the concepts of the Constitution's evolution, framing, ratification, and interpretation by presenting these subjects in the context of the daily surroundings and intellectual environment of James Madison. Montpelier created a setting, through field trips and slides, in which students can more easily relate to the Constitution and the Founders. Total project cost was $76,123; they received an award of $50,000 from the Commission.

The Council for the Advancement of Citizenship conducted a set of four U.S. Constitution Bicentennial training sessions targeted specifically for elementary and secondary teachers and administrators. The Council also served as a clearinghouse for bicentennial resource materials. Project activities included four regional one-day workshops, "traveling centers of excellence," convened immediately prior to national, regional, and state meetings of the National Council for the Social Studies; a set of Bicentennial Information Clearinghouse Services; Bicentennial Leadership News, a quarterly publication; and a Bicentennial Awards program for Exemplary teaching. Total project cost and the amount awarded was $64,826.

The American Political Science Association's Project '87 is in the midst of a program which is developing, evaluating and will publish 10,000 guides and lesson plans to accompany selected essays published in this Constitution: A Bicentennial Chronicle, the quarterly magazine from Project '87. The essays deal with core ideas of American constitutional democracy and the accompanying lessons will emphasize examination and discussion of the articles. An estimated 1,000,000 students will use the materials. Total project cost and the amount awarded is $74,797.

FLORIDA

Florida State University sponsored a three-week summer institute for 25 secondary school social studies teachers. The institute focused on constitutional history and Congress and offered an intense study and dialogue on the constitutional principles of separation of powers and checks and balances. An estimated 3,750 students have been directly affected by this program. Total project cost was $69,098; they received a grant of $62,648.

GEORGIA

The Vinson Institute of Government at the University of Georgia hosted a three-day conference to develop lesson plans on the Constitution for 45 secondary teachers from three states. The resulting lesson plans directly reached 2,000 teachers through an established newsletter. Participants examined in detail the debates in the Federal Convention that were crucial to the shaping of the Legislative Branch, as well as public debates over ratification. It is estimated that 4,500 students benefited from the project. The total cost of the conference was $26,649; the Commission awarded a grant of $20,816.

Bainbridge College conducted a program of workshops for elementary and secondary school teachers. The College's newly formed Center for the Study of the U.S. Constitution developed a series of five five-day workshops on the Constitution that were held in five counties in southern Georgia and northern Florida. The project introduced 50 teachers to the essential principles of and controversies over the Constitution, and provided them with teaching strategies that emphasize incorporating original documents. The project reaches approximately 4,500 students each year. The total cost of the project was $4,491; they received an award of $2,872 from the Commission.

IDAHO

The Idaho Centennial Foundation is developing, producing, and will distribute 50,000 facsimile kits and curricular materials entitled "Documents West." The kit includes reproductions of some of the documents which were key in the development and ultimate statehood of the territories of the Great Northwest and relevant curricular materials. An estimated 100,000 students in six states will use the materials. Total project cost is $101,935; they received an award of $84,500 from the Commission.

ILLINOIS

The Constitutional Rights Foundation (CRF) sponsored a five-day institute for 30 secondary teachers focusing on the history and principles of the Constitution. The teachers received instruction from scholars and worked with master teachers and curriculum specialists on incorporating existing curricular materials and lessons into classrooms. CRF is working closely with the Chicago Public Schools in an effort to improve teacher preparation systemwide. An estimated 2,000 students directly benefited from the project. Total project cost was $41,562; the Commission awarded a grant of $30,490.

Southern Illinois University sponsored an intense one-week institute for 30 elementary and secondary teachers with a follow-up conference in the fall. The purpose of the project was to enhance teacher knowledge of constitutional heritage by examining the issues of ratification and development of curricular materials designed to fit directly into each participant's curriculum. It is estimated that 3,000 students directly benefited from the institute. The total cost of the institute was $63,840; the Commission awarded a grant of $38,954.

The Constitutional Rights Foundation sponsored a five-day summer institute focusing on the theoretical background of the legislative function in a constitutional system through an examination of primary and secondary sources. With 30 junior and senior high school teachers participating, the project reached an estimated 2,000 students. Total project cost was $43,646; they received an award of $32,968 from the Commission.

The American Bar Association sponsored a one-week Jaworski Constitutional Institute for 120 educators and community leaders representing 20 school districts. The institute included lectures on the Constitution, discussion seminars, classroom application workshops, and an exhibit of exemplary resource materials. The institute identified instructional resources on the Constitution and disseminated them to selected school districts. The ABA provided assistance in conducting teacher in-service workshops and for providing technical assistance to the 20 school districts. Total project cost was $137,423; the Commission awarded a grant of $71,393.

INDIANA

The Indiana Law-Related Education Bicentennial Project continued a project concentrating on training in the use of two sets of curricular materials covering grades K - 12: the curriculum from the Center for Civic Education and *A Salute to Our Constitution and the Bill of Rights*. The project's intent has been to revitalize civic education in Indiana through cooperative activities, with a focus on ideas, principles, and issues, rather than just facts, and a continuing intellectual dialogue. During the course of the project, it is estimated that 900 teachers and 25,000 students have been reached. The total cost of the program is $339,977; they received a grant of $105,108.

Joe Dunbar of the Kokomo-Center Township Consolidated Corporation continued a multi-faceted community project. A "roving constitutional scholar" portrayed Benjamin Franklin in classrooms and taught lessons on various constitutional subjects. The thrust of his lectures was on the Legislative and Executive

Branches. In addition, a series of two-week seminars aimed at 8th, 11th, and 12th grades students were developed and held regionally using other scholars besides "Franklin" for resources. A series of eight or nine videotapes of the Franklin character were prepared during a four-week curriculum development program. The tapes were distributed nationally at cost. The total cost of the project and the amount awarded by the Commission was $35,050.

IOWA

Professor Clair Keller, through Iowa State University is conducting a two-year project which expands a series of "press conferences" for presentation to elementary and secondary school students throughout the state of Iowa. Characters such as Richard Henry Lee and James Madison have been portrayed in simulations having to do with the first federal elections of 1788/1789 and the establishment of the First Congress. Lesson plans were developed to accompany the "press conferences." An estimated 3,000 to 5,000 students will be reached by project end. Total project cost is $31,797; they received an award of $20,000 from the Commission.

CEEDE of the University of Iowa developed materials for secondary school students with limited English proficiency. The focus of the materials is on the Legislative and Executive Branches and is in computer format. The applicant developed and produced five audiotapes and read-along summaries in simple English. Five computer diskettes for use with Apple II accompany the tapes. Each disk contains the following: lessons teaching content and providing instruction, exercises, games, simulations to practice and reinforce content and concepts, and lesson mastery tests. The total cost of the project was $50,319; they received a grant of $46,944 from the Commission.

Loess Hills Area sponsored a series of in-service programs for 45 teachers from grades 5- 12 to provide them with concentrated training on the Constitution. The training and activities of the project emphasized the creation and development of the Legislative Branch with special focus given to the debates of the Federalists and the Anti-Federalists in the ratification struggle. Participants developed curricular materials which were field-tested in their classrooms. Total project cost was $12,971; the Commission awarded a grant of $9,996.

LOUISIANA

The Louisiana School for Math, Science and the Arts sponsored a two-week summer institute, with six follow-up sessions, for 50 junior and senior high school teachers. Participants represented 33 different school districts in Louisiana. Focus was on the Legislative Branch, the history of the constitutional period, and the congressional elections of 1788. Approximately 5,000 students directly benefited from the project. Total project cost was $66,000; the Commission has awarded a grant of $55,450.

Louisiana State University conducted a two-week institute for 30 secondary teachers on the ratification debates that prompted the writing of the Federalist Papers, which are a required course of study in secondary schools in Louisiana. Participants held a series of in-service workshops in their schools and developed additional teaching materials for integration with the state Department of Education's curriculum guides to create a supplement to Lessons on the Federalist Papers. Participants learned about the Federalist Papers and the Constitution against the backdrop of the Declaration of Independence and the Anti-Federalist debates. An estimated 7,500 students have been reached. Total project cost and the amount awarded was $80,745.

MAINE

The Maine Humanities Council developed new curricular materials for use in public schools in Maine. The materials were designed for use in grades 4, 8, 11, with a potential audience of 10,000 students. The lives of the 56 Maine delegates to the Massachusetts Ratification Convention is the core of the curriculum; fourth grade teachers focused on biographies and histories of the delegates; eighth grade teachers developed materials for an in-class simulation of the Ratification Convention of 1788; and eleventh grade teachers emphasized the process of researching the historical foundations of current issues. Total project cost was $58,013; the Commission has awarded a grant of $30,328.

MARYLAND

Patricia M. Cuff, through the Montgomery County School District, developed a drama suitable for use in grades 5-8 on the Executive Branch of government. Two workshops were held in the Fall of 1988 to train teachers in the use of drama as a teaching tool and to actually lead them through the production and presentation of the drama. The script and teacher's manual were distributed throughout Montgomery County and the state through a network of Social Studies Supervisors. In addition, an accredited in-service class was established on the use of drama in the classroom to teach history. The total cost of the project was $3,884; the Commission awarded a grant of $3,834.

The Somerset Professional Development Center, an arm of the Somerset County Schools, continued its program of in-service training on the Constitution. Funding permitted 50 elementary and secondary teachers from three Eastern Shore counties in Maryland to receive training on the history, development, and structure of the Constitution and enhance the teaching of the Constitution within current social studies curricula. The program reached as many as 7,500 students in its first year. The total cost of the project was $6,500; they received an award of $2,700 from the Commission.

The Maryland Office for the Bicentennial created two audio/visual learning activity kits to enhance and supplement two written resources which were previously distributed nationwide. While texts for both kits stress Maryland's role in the creation and adoption of the Constitution, the audio/visual learning kits emphasized general ideas and concepts that shaped the Constitution. Total project cost was $45,457; the Commission awarded a grant of $38,457.

The Board of Education of Prince George's County sponsored a three-week summer institute in July of 1989 for 36 teachers in grades 5, 8, and 11, reaching 6,000 students. The institute examined the creation and development of the Legislative and Executive Branches and the evolution of the electoral process, with reference to contemporary issues. In addition, the institute demonstrated audiovisual and computer software materials which have been found to stimulate students. Total project cost was $108,550; they received an award of $74,058.

MASSACHUSETTS

The Massachusetts Global Education Program sponsored a two-day conference which explored the origins of the U.S. Constitution and the implications of the Constitution's global impact. Thirty middle and secondary teachers, administrators, and curriculum specialists met during this meeting designed to increase the awareness and understanding of how other nations have adapted the Constitution to their own political and cultural history. Total project cost was $7,600; the Commission awarded a grant in that amount.

Salem State College sponsored a four-week summer institute designed to provide participants with new teaching strategies and assist them in the development of new curricular materials. The primary goal of the institute was to provide 20 middle and secondary school teachers with a better understanding of Massachusetts' own struggle for ratification and familiarize them with the four representatives who played significant roles at the Constitutional Convention. In addition, they examined Massachusetts' role in the creation of Congress. The program reached an estimated 3,000 students. Total project cost was $79,889; they received a grant of $74,134 from the Commission.

MINNESOTA

Mankato State University sponsored a two-week summer institute for 30 secondary social studies teachers, and conducted two follow-up sessions in the fall. Lesson plans were developed at the institute and field-tested in the fall. Teachers received academic instruction on the history and principles of the Constitution, with a focus on the creation and development of the Legislative Branch of government and the doctrine of separation of powers. An estimated 3,750 students directly benefited. Total project cost was $74,879; the Commission awarded a grant of $48,754.

The Minnesota Center for Community Legal Education developed a program which has bridged the bicentennial years through a three-facet program designed to increase interest in the study of the Constitution and enable teachers to integrate constitutional lessons more effectively into their courses. The program included extensive teacher training and a Youth Constitutional Convention. The program initially reached 5,000 teachers and 50,000 students. Total project cost was $97,992; they received an award of $93,350 from the Commission.

MISSISSIPPI

Petal School District sponsored a three-day writing conference for 45 elementary teachers. Each participant, under the supervision of political science scholars, was required to write four papers, three narratives, and a position statement. In addition, participants, after being trained on how to teach elements of the Constitution using writing, were encouraged to conduct a presentation on one concept or technique and require writing during the presentation. The conference emphasized writing as a motivation for students to act on the ideas and values of the Constitution. An estimated 1,125 students directly benefited from the program. Total project cost was $14,659; the Commission awarded a grant of $9,967.

Mississippi State University hosted a statewide program to create lessons designed to improve the teaching of constitutional concepts in elementary and secondary schools. The program identified exemplary educational programs which teach constitutional concepts, expanded upon the state curriculum requirements for study of the Constitution, developed and field-tested a series of lessons, and demonstrated how to teach these lessons through a series of workshops. The lessons were designed to incorporate techniques which have been developed to teach critical thinking skills. Total project cost was $48,917; the Commission awarded a grant in that amount.

MISSOURI

Central Missouri State University sponsored a three-week summer institute for 30 secondary teachers on the Constitution and Bill of Rights. Participants examined the philosophical roots of the Constitution, with discussions of religious liberty, free speech, and constitutional privacy. They focused on the developments that occurred during the Confederation period and discussed the compromises that were reached as a result of the Convention and the ratification debates. A curriculum developed by participants has been shared with their colleagues at district, regional, and statewide meetings, reaching an estimated 4,500 students. Total project cost was $88,601; they received a grant of $57,870.

The U.S. Constitution Bicentennial Commission of Missouri trained a cadre of 45 teachers at a statewide conference. This cadre served as co-conveners at six regional workshops in the use of the Center for Civic Education curricular materials.

Representatives from each school district's social studies department were invited. Total project cost was $75,000; they received a grant of $46,250 from the Commission.

NEW YORK

Syracuse University hosted a two-week summer institute on the Constitution and ratification debates for 30 elementary and secondary school teachers. Approximately one third of the institute focused on the development of curricular materials. Participants received guidance on the adaptation and development of materials from the Center for Civic Education, the Virginia Department of Education, and members of Project '87. The project directly reached 2,500 students. The total cost of the program was $124,263; the Commission awarded a grant of $55,175.

The Buffalo City School District developed a curriculum which included large group, small group, and individual activities to be used by elementary, middle, and secondary school teachers. The elementary curriculum focuses on separation of powers, the functions of the three branches of government, and the ratification debates. The middle school curriculum examines New York's role in ratification and the implications the Constitution had on that state. The secondary school curriculum focuses more heavily on the Legislative Branch and the system of checks and balances. The total cost of the project and the amount awarded by the Commission was $42,673.

Richard Skolnik, through the City University of New York, prepared three separate editions of the American Observer, an original historical newspaper series. Each issue features an array of contemporary accounts, all relating to a pivotal episode having significant constitutional implications and involving the role of Congress and the extent of congressional authority in the early years of the American republic. A teacher's manual was also prepared to summarize and clarify the issues under debate, offer background notes and biographical materials on the participants, as well as descriptions that illuminate the general setting of the 1790's. The papers were distributed to 700,000 high school social studies students in Nassau County and all school and public libraries in the county. The total cost of the project and the amount awarded by the Commission was $18,195.

Iona College provided interdisciplinary in-service training for a group of 40 junior high and high school social studies teachers selected from member schools of the Lower Hudson Staff Development Network, a consortium of school districts in southern Westchester County. Participants attended a three-week summer institute during which they studied the background and history of the Constitution and developed course outlines for use in their schools. These materials were distributed to the member schools. The project benefited more than 20,000 students in Westchester County. The total cost of the project was $30,193; they received an award of $23,820 from the Commission.

The Mamaroneck Union Free School District produced an elementary and middle school course on the development of the Executive Branch. The middle school course focused on the historical background and current issues of the Executive Branch. Students then participated in political rallies and spoke on behalf of their candidate. They were required to research the major issues surrounding the 1988 elections and conduct their own debates. During the elementary teacher workshop the role of the media was highlighted. Students studied the electoral process and the people who influence it. Approximately 150 teachers and 2,000 students were reached. The total cost of the project was $13,000; they received an award of $6,450 from the Commission.

The New-York Historical Society developed a mobile exhibit based on the 1987 New-York Historical Society exhibit on the Founding Era, expanded exemplary instructional materials for replication by a nationwide network of teachers, and developed a resource room and network through a local community college. The exhibit was housed in a public area in each borough of New York for one month and was introduced to teachers through two workshops. Total project cost was $145,280; the Commission awarded a grant of $80,000.

Project PATCH (Participatory Awareness Through Community Help) conducted a multi-faceted program for statewide use in New York which included the use of ten regional teacher training centers that annually train 1,000 teachers of all levels. These centers disseminate scholarly works, exemplary instructional programs, materials, media projects, and constitutional activities that improve students knowledge of the Constitution. Total project cost was $191,011; the Commission awarded a grant of $82,011.

The New-York Historical Society provided the model, materials, technical assistance, coordination, support and resources needed to replicate and effectively use the materials developed in the New-York Historical Society's two previous Commission grants in five major sites. The five sites are Houston, Texas, Jackson, Mississippi, Boston, Massachusetts, Fairfax County, Virginia, and Los Angeles, California. A mobile replica of the Constitution Exhibit, "Government by Choice: Inventing the United States Constitution," was displayed in each of the five sites for two months. Each site designed an exhibit component which is particularly relevant for their location. In addition, "developer" and "adaptor" grants were provided to each site to research and develop a resource guide describing the historical resources and materials available within the surrounding area. Total project cost was $287,230; they received a grant of $140,250 from the Commission.

The Central New York Bicentennial Consortium and North Syracuse CSD sponsored a two-week summer institute focusing on the first presidential administration and the development of the Executive Branch for 30 elementary and secondary teachers. Participants developed lesson plans based on existing materials, participants' notes, and a bibliography; these were incorporated into "Teaching About the Constitution: A Guide for Elementary and Secondary American History Courses." An estimated 2,500 students have been reached by this project. Total project cost was $71,133; they received a grant of $58,651 from the Commission.

NORTH CAROLINA

The Center for Research and Development in Law-Related Education (CRADLE) implemented the following in the pilot year of the project "Sharing Lessons in Citizenship Education": 1) the collection and evaluation of 500 teacher-generated and project-generated classroom-ready lesson plans focusing on the Constitution; 2) the cataloging of these plans according to specific themes, structures, processes, chronology, grade levels, strategies, and other suggested methods; 3) the dissemination of these lesson plans upon request; 4) the purchase of published classroom teaching materials not already available at Wake Forest University libraries; and 5) the evaluation of potential outreach projects using these lesson plans and materials. These materials are housed in a national repository at Wake Forest University and are available at cost to elementary and secondary school teachers in all 50 states. Total cost of this phase of the project is $81,610; the Commission awarded a grant of $59,610.

OKLAHOMA

The Harmony School continued its program "Kids in Harmony with the Constitution." This is an exemplary program, involving students at all ages in a variety of educational activities for the Bicentennial. Much of the activity centered on preparing teachers to teach the Constitution; thus, in-service training was given and consulting services obtained to aid teachers in developing curriculum materials; teachers developed a curriculum guide that includes tests to measure program effectiveness. It involved not only the 300 students at the school, but the entire community of 18,000 in Constitution-related activities. The total cost of the project was $20,556; they received an award of $6,803 from the Commission.

OHIO

The New Richmond Exempted Village School District conducted a program designed to train 80 teachers through a staff development conference, include parents through a monthly newsletter, establish a Speakers Bureau, and expand a document and artifact museum. This program reached over 2,800 students. Total project cost was $29,762; they received an award of $10,191.

The Hamilton County Office of Education sponsored a ten-day summer institute which focused on how the Constitution developed in response to the principal issues and debates of the Constitutional Convention and the ratification struggles. Forty secondary school teachers were provided with instruction on how to motivate students, design effective lesson plans, use primary sources, and assess student knowledge and understanding of the Constitution. An estimated 5,000 students were reached through this program. Total project cost was $40,795; they received an award of $30,200 from the Commission.

OREGON

The Columbia Education Center provided in-depth training for 36 master teachers, three each from the twelve participating western states (including Alaska and Hawaii). Each master teacher in turn was required to train 100 teachers in their respective state on the philosophical, theoretical, and historical background of the Constitution using exemplary projects previously implemented in other parts of the country. It is estimated that 100,000 students benefited annually. The total cost of the project was $169,830; the Commission awarded a grant of $93,345.

The Oregon Law-Related Education Program sponsored a program consisting of a three-day seminar for 30 elementary and secondary teachers on the nature of a republican government and the views of the Federalists and Anti-Federalists on the three branches of government, a follow-up Saturday session, the printing of teacher-developed lessons, and in-service workshops conducted by the participants. Teachers were trained in the use of the "We the People" materials developed by the Center for Civic Education. The follow-up session was used to critique lesson plans that the participants tested in their classrooms. The 30 lesson plans were published. An estimated 15,000 students have used the material. Total project cost was $82,896; they received $39,815 from the Commission.

PENNSYLVANIA

The National Constitution Center held 25 reading and discussion groups throughout the year on the Constitution for 20 teachers each. Groups met six times in two-hour sessions which were led by professors of history, political science, government, and jurisprudence. Participants used a specially prepared anthology of primary source material. This encouraged active learning to be transferred into the classroom. It is estimated that 20,000 students benefited as a result of the project. The total cost of the project was $67,500; the Commission awarded a grant of $55,000.

RHODE ISLAND

The Rhode Island Bicentennial Foundation, in conjunction with several other groups, sponsored a day-long in-service teacher training program entitled "The Congress and the People," designed to assist middle and secondary teachers in conducting programs relating to the Legislative Branch of government. In addition, the project included three half-day in-service sessions to create programs for middle and secondary teachers. One hundred teachers were reached as a result of the day-long in-service program. Total project cost was $20,330; the Commission awarded a grant of $9,230.

SOUTH CAROLINA

The South Carolina Bar Foundation produced and taped four live one-hour television lessons on the Constitution. The project created four videotapes for three grade levels. Two of the tapes are for the secondary school level, one for the middle school level, and one for the elementary level. Each hour contains 40 minutes of teacher training and 20 minutes of video lessons on the Constitution for students. It is estimated that 500,000 students benefited. The total cost of the project was $29,800; they received a grant of $27,200 from the Commission.

TENNESSEE

Tennessee Technological University sponsored a two-week interdisciplinary institute for 30 social studies teachers from grades 5-9 in the Upper Cumberland region of Tennessee. Each activity-oriented session strived to increase the participants' understanding relative to the Constitution and provide them with tools to enable them to teach the content effectively in the rural school systems. This area of the country suffers from a high drop-out rate after the eighth grade; it is, therefore, essential that students be exposed to material on the Constitution during their middle school years in an interesting fashion. It is estimated that 2,000 students directly benefited from the institute. Additional teachers received training through in-service sessions and a dissemination network that was already in place. The total cost of the institute was $20,617; the Commission awarded a grant in that amount.

TEXAS

Southwest Texas State University sponsored a three-week summer institute for 30 secondary teachers where they examined the Constitution, evaluated current teaching methods and materials, and developed curricular materials that aided in teaching the Constitution and its principles. Southwest Texas State continues to work to establish a partnership between university faculty and secondary school teachers in Texas. An estimated 4,500 students benefited from the project. Total project cost was $87,693; the Commission awarded a grant of $64,302.

Northside Independent School District hosted a two-week summer institute for 15 secondary teachers of government and history. The institute focused on the writing and ratification of the

Constitution, placing major emphasis on primary source reading materials. Follow-up in-service programs were required. An estimated 1,500 students were reached. Total project cost was $18,645; the Commission awarded a grant of $12,700.

The Association for Retarded Citizens of the United States developed educational materials on the Constitution appropriate for students with mental retardation. The materials consist of a workbook and audio tape to accompany the workbook. Total project cost was $58,920; the Commission awarded a grant of $46,154.

UTAH

The Utah State Department of Education sponsored a project which provided elementary teachers with a substantive understanding of the Constitution, familiarized them with available children's literature, trained them to use that literature, compiled an annotated bibliography/resource guide of children's books on the Constitution, placed a limited supply of these books in school sites throughout the state, and required development and implementation of a community awareness project using the literature. This project sought to integrate the study of the Constitution with literature and reading in elementary schools. The project is still in use statewide. Total project cost was $111,400; the Commission awarded a grant of $38,200.

WISCONSIN

The University of Wisconsin-Eau Claire sponsored a four-week institute during the summer of 1989 for 20 elementary and secondary teachers from grades 6 through 12, reaching an estimated 3,000 students. The focus of the institute was on the study of the government under the Articles of Confederation. Participants examined the major political theorists whose philosophies influenced the Convention and the ratification struggle. Total project cost was $59,329; they received an award of $50,708 from the Commission.

Mr. SMITH. Also, your request to OMB was, I think, $380,000 more than was approved. What does that difference represent?

Colonel O'MEARA. Sir, that represents a difference between how we figured our manpower close-down curve and how OMB did. We concurred with what they came up with. We have no problem with the appropriation request.

Chief Justice BURGER. I should add, Mr. Chairman, at the peak we had about 130 staff people including detailees from other branches of government as Colonel O'Meara was detailed from the Department of the Army.

Our staff now is in the neighborhood of 80. That is not because we are doing less work, but it takes fewer people to continue a program than it did to create the program and get it started. That will continue to go down through 1991.

CHARLES PICKNEY NATIONAL HISTORIC SITE

Mr. SMITH. Now, the conference report designated the Charles Pickney National Historic Site. Tell us about that. Where are you on that?

Colonel O'MEARA. Mr. Chairman, I believe that is the $705,000?

Mr. SMITH. Yes.

Colonel O'MEARA. We are in the final stages of transfering that fund to the National Park Service.

Mr. SMITH. I see.

Mr. O'MEARA. That is on track, I believe, sir.

Chief Justice BURGER. We have had a number of applications for grants which we had to decline. Not surprisingly, when a program like this is announced, people all over the country with the best of intentions develop the program and then cannot finance it.

People have come to us with movies they want to produce, books they would like to publish. We have had to say no to a great many of those, some of them very worthy projects.

In some instances, we gave assistance to them to get some other source to make a grant. I recall one, I think, of $50,000 to complete the collection and publication of the papers of the first Chief Justice, John Jay. I think we—it was $50,000 that we helped them to get from another source; from a foundation.

We have requests now with respect to the papers of other Chief Justices, some of which, I think, we will not be able to provide; but there again, we will do what we can to encourage some foundation to give them the money.

Mr. SMITH. I guess I am curious, but one of my professors in college that I remember very favorably was a Professor Atherton from the University of Missouri. Was he any relation to you?

Mr. ATHERTON. Even though we are from Missouri, we are not related. I know the professor of whom you speak. My cousin also had him.

Mr. SMITH. I see.

Mr. Regula?

REQUESTS FOR MATERIAL FROM ABROAD

Mr. REGULA. Yes. Thank you, Mr. Chairman.

I would be interested if you have had any acceleration of requests from overseas, given the fact that many governments in Eastern Europe are suddenly looking for blueprints as to how they might put together their future?

Chief Justice **Burger**. No formal requests, Mr. Regula. But I wouldn't even call them requests. But I mentioned that I have had visits—they really were social visits—with distinguished representatives from at least six of those countries.

Mr. **Regula**. That is interesting.

Chief Justice **Burger**. Yugoslavia, Romania, Poland, and a number of others. None of the Baltic states as yet. We have felt that we should be very careful about dealing with the Baltic states' problem because Mr. Gorbachev has enough problems on his hands, and we don't want to create any new ones.

We found these representatives of the other countries very representative, wanting to know how soon they will receive these materials. We will have them on the way through USIA as soon as they come off of the printing presses.

That program, as you can well imagine, is one we need to handle with considerable delicacy, especially the one in the Soviet Union itself; but after yesterday's announcement, I think we will have cooperation, and I have planned some discussion with the people here in Washington on that very soon.

BILL OF RIGHTS COMMEMORATION

Mr. **Regula**. On the Bill of Rights, you, if I understood correctly, are going to emphasize general human rights, to get every dimension of the Constitution that relates to human rights?

Chief Justice **Burger**. Yes. If we say Bill of Rights, the first reaction is going to be, well, what about the Civil War amendments, which in terms of the present and the last 50 or maybe ever since the Civil War are more important than the original 10 amendments.

So we haven't come to rest, but my guess is that it will be human rights under the American Constitution; and that will also fit our overseas activities.

I have had a number of trips to Europe and had to decline more than I accepted simply because of time; but we had a program at Dublin University, another program at Oxford and one at the Middle Temple in London. I should hasten to add, Mr. Chairman, Mr. Regula, Members of the Committee, Mr. Alexander, this was not with appropriated funds.

A very distinguished American, head of a foundation, contributed all of the costs of those trips; and some of the American hotel chains also provided hotel accommodations at no cost.

So these were not junkets at public expense.

I regret that I had to decline simply because of the pressure of time a visit to Argentina, one to Brazil, one to Mexico, and one that if I had to do over I would have found a way, and that was to Hungary.

About six months ago, a small group of people—lawyers, historians, others—were meeting informally to discuss the framework of a new constitution. That isn't too late, and I expect there will be more invitations over the next six months along that line.

Mr. REGULA. You mentioned overseas. Do all of your publications get into the USIA libraries in our embassies?

Chief Justice BURGER. As far as I know, every one that is relevant that doesn't have a purely local American application is in USIA libraries and in the library of every embassy; but the USIA is the place people go to get those things, as you well know.

Mr. REGULA. I would be curious if you have explored with the National Geographic the possibility of their doing a story featuring these maps?

Chief Justice BURGER. I mentioned the Department of the Army and some others. I overlooked the National Geographic.

They have given us enormous support. Fortunately, I am a trustee of the National Geographic; yet I think they would have done it in any event.

In support they gave us over a half a million dollars, materials in the first map contest; more likely three-quarters of a million dollars worth.

They are cooperating with us on other programs right now. But the map contest is, as I said, being repeated this year; and I think we will repeat it in 1991 because these—if you look at the details on them, 25 or 30 youngsters went into each of the first two, the one on my left and the first one on my right. We then brought the winning class down to Washington on a trip here and the teachers with them.

I think this one on my immediate right is from a parochial school in Missouri; is that correct?

Mr. ATHERTON. That is correct, Chief.

Chief Justice BURGER. The nun who came with them said in all of her teaching experience, she had never seen anything that stimulated some of the laggard students as much as this program.

She said there were students who simply weren't much interested in anything. They were TV addicts, and school was a bore. They got into this contest with the other youngsters; and then I sat in a corner with some of the students and with the nun and said, tell me how you went about it?

Here was a by-product we hadn't contemplated, a lesson in the democratic process for these kids. The youngster explained that one of them would be assigned with four others—four or five kids would be assigned to do the illustration for Massachusetts; and another group would be assigned to do the illustration for Philadelphia or Pennsylvania or some other place, and for a certain time period.

Then each of the kids in the group would draw a picture, and then they would take a vote on which was the best one, which one should they use.

Suddenly, I realized these kids were learning about precinct caucuses, ward caucuses, and the process that has made this country function for 200 years.

We are focusing on that. The teachers in the public schools confirmed the same experience.

Mr. SMITH. Did the chairman of the committee show the others the ballots?

Chief Justice **Burger**. I think so. I think so.

I think their learning in that respect was one of the great values. We have found that out—we found it out earlier without realizing the value of it when we had a trial run of this program in schools right in the District of Columbia, and there we didn't—we were exploring, we didn't know what kind of map we wanted. We just said, draw a map. The kids came in with all sorts of ideas.

MAP CONTEST

That led us then to prepare the basic map; National Geographic did that for us, with the eastern half of the United States from the Mississippi River to the Atlantic Ocean, and the only labels on it were the topics, "Discover Early America," and then, "British Canada," and "Spanish Florida."

For the rest of it, the kids had to identify the state; and as we know, they don't know very much about geography. Ones that were in this contest both in the experimental thing in the District of Columbia and there will now know at least part of the geography of this country very well.

The blank map then went out to them in that form so they would all be competing on the same basic level. And the teachers here in Washington told us the same thing, that laggard students that were not interested in things generally suddenly came alive and had a lot of fun.

Like a great many other things, if you enjoy your work, it doesn't make much difference what the rewards are.

"CONSTITUTIONAL JOURNAL"

Mr. **Regula**. Last question. The name of the author of the book? Is it in the book stores, the one on the constitutional journal? Is it circulating in the stores around the country?

Chief Justice **Burger**. This is the one we put in approximately 38 to 40 thousand—38,000 school and college libraries, and then the libraries of the state Supreme Courts and of the federal courts.

What was your specific question?

Mr. **Regula**. The author?

Chief Justice **Burger**. The author is a man by the name of Jeffrey St. John, who was a journalist and television commentator and has turned out to be a very good historian.

Mr. **Regula**. Is it being sold in book stores to the public?

Chief Justice **Burger**. Yes. This is sold in the kiosk downstairs, I think; it is sold in the kiosk over at the Supreme Court.

The sale of it has been pretty good. He is coming out with another book very soon, I think, to be published in which he has the same format, where he writes it as though he were a roving newspaper reporter going the way newspaper reporters followed the primary, the presidential primary activities. And he writes on each of the ratification conventions.

Our people—I have only scanned it. Our people have read it closely. They have said it is even a better book than this one because it is more of a concentrated story, and a lot of people are going to find out that we almost didn't get this constitution with Virginia, after three or four weeks of debate, passing it by only 89 to 79, New York by 30 to 27, Massachusetts 178 to 158, something like that.

And the debates are being reproduced.

Then we had a by-product that didn't cost the public anything. I think we have sent copies of this paper back to you. In 1987, I wrote—1987, I wrote 44 short articles which were syndicated by the Associated Press. Some publisher had offered $15,000 to me to put them out. When we consulted the Associated Press, they said they would do it.

I thought we would get so much more coverage from the Associated Press than we would with the people who would pay $15,000 for it that we let the Associated Press do it. The articles went out. I don't know if any of you ran into them.

The Washington Post and the New York Times, not surprisingly, did not use them; but the Philadelphia Inquirer, the Boston Globe, the Scripps-Howard papers and a great many others did.

Hundreds and hundreds of them, thousands actually were used. Then a textbook company came along and said they wanted to make a textbook out of this material for high schools.

At that time, I did not know that the copyright had been taken out in my name. I waived any copyright rights or any royalties if they would put some things in that we wanted.

So in the back of this book is a brief biography of every one of the delegates to the Philadelphia Convention and the Northwest Ordinance which, if you are writing a paper in almost any part of this country, if you are a high school student, a college student, you would have a difficult time finding the Northwest Ordinance in a library.

Now it is available in every school in this country and, in addition to that, they put in the Articles of Confederation, another document difficult to find for a student in most places.

In this process, I discovered that I was born as a native Virginian, discovered, as I am sure all of you knew already, that Virginia claimed all of the land up to the—from the east side of the Mississippi River, even though this was part of the Louisiana Purchase.

When I told that to my distinguished colleague Justice Powell, he said, what do you mean Virginia claimed it? Virginia owned it.

So I am a native Virginian now.

Mr. SMITH. Mr. Alexander?

Mr. ALEXANDER. Mr. Chief Justice, personally, I have enjoyed very much the work of the Commission. Like other Americans, I have learned a lot about history I did not know.

Chief Justice BURGER. Including, excuse me, the chairman of this Commission.

Mr. ALEXANDER. All of us. It is a delight. It is a thrill to me. On every occasion when I can, I conduct forums in my district during which I always talk about the Constitution and the things I have learned and so forth.

There has been such general interest in my district that I have sponsored a competition on the Constitution among high school students, I have suggested to them, since this is the period during which we are focusing on the passage and ratification of the Bill of Rights, that they use that subject.

I am sorry I came in just a little late. You say you are publishing materials on the Bill of Rights. When are they to be out?

Chief Justice BURGER. They will not be out until late in 1990. The big focus will be in 1991, for example.

Mr. ALEXANDER. Yes. Are those materials available in limited form?

Chief Justice BURGER. Not yet.

Mr. ALEXANDER. I see. So we are a little ahead of the curve on that one?

BILL OF RIGHTS MATERIALS

Chief Justice BURGER. I think before you came I mentioned we had an outside advisory committee chaired by Chief Judge Frank Coffin of the First Circuit who lives in Maine. He was formerly a Member of the House from Maine and an Undersecretary of State and has been a judge for at least a dozen years.

He and several journalists, historians, and a couple of lawyers were included. We had a man from the law school, one of the law schools, to coordinate all that material, and we are in the process of developing material now. It isn't ready for printing yet.

Mr. ALEXANDER. Maybe I should defer focusing on that until such materials are available. It might be a little premature on my part to suggest that.

Incidentally, one of my other constituencies over the years has been Americans living abroad. They have sponsored a competition among Americans living abroad and created a lot of excitement and interest among those citizens that live in foreign countries. They established a competition among themselves and had a big event.

You just never know what is going to come of these things when you start them. They never stop, it seems.

We thank you very much for your good work. We don't think you are taking any junkets, taking advantage of the taxpayers. It is always the thing the newspapers pick up to write about instead of history. They are trying to make some themselves sometimes.

Chief Justice BURGER. I have observed that in my many years in Washington.

Mr. ALEXANDER. It gets a little thick after a while, doesn't it?

Chief Justice BURGER. It does.

Mr. ALEXANDER. Thank you, Mr. Chairman.

LAW-RELATED EDUCATION

Mr. SMITH. You mentioned law-related education. It has been extremely difficult to get support for law-related education. It was authorized—I tried for several years. We finally got up to $5 million.

This should be a permanent program, because one way that your very important cause can be carried on is by universities and others preparing the material to be used in the classroom to keep in front of the students in the high schools, especially this kind of material and to get public officials to become involved as we go on.

I wondered about the amendments. How are you going to decide which amendments to the Constitution——

Chief Justice **Burger**. That we hope to reach under this broad title of human rights under the American Constitution.

Mr. **Smith**. Is the amendment to abolish prohibition a human rights amendment?

Chief Justice **Burger**. Well, there are two schools of thought on that. One cancelled the other out.

I recently had occasion to testify before a committee of the Senate, and the question came up about the Nineteenth Amendment. I thought that is what they were asking me about. I couldn't understand what the Nineteenth Amendment had to do with what we were talking about.

It turned out the question, really, when the transcript came out, was about the Ninth Amendment. I did what might be called a filibuster on that question because I couldn't see what the Nineteenth Amendment had to do with it.

Some law professor wrote an article it was too bad the Chief Justice, the chairman of this Commission, didn't know what the Ninth Amendment was. I recall after the article came out when I was in law school, our teacher of constitutional laws said that was one of the hortatory amendments, the Ninth. It wouldn't have made any difference if they had left it out.

Now I do understand when I mentioned this to another Member of the Congress recently in a conversation that some Members of Congress think that it is a very important amendment. But I do not think we would gain very much about it now. At the beginning, it certainly was very important, the difference between the state power and the federal.

Mr. **Smith**. Actually, almost all the amendments in some way deal with somebody's rights, don't they?

Chief Justice **Burger**. Yes, but the Ninth is really, if someone asked me to define it, say what it means, I—after all these years—am not sure what it meant except it was terribly important to the people at that time that the fear of this new federal government, this new monster was such that they wanted to say that unless the right is expressly granted to the new federal government, we keep it.

So in that respect, it is important.

Mr. **Alexander**. We are still hearing about that, Mr. Chief Justice.

Chief Justice **Burger**. Yes. It comes up in waves.

COMMISSION SUNSET PROVISION

Mr. **Smith**. Is this your swan song?

Chief Justice **Burger**. Just about, Mr. Chairman.

Mr. **Smith**. Will you be back before this Committee next year?

Chief Justice **Burger**. I think we have—this budget covers the clean-up period after the end of 1991 so that unless we come back and have some major problem that we cannot finance, it will probably be the last time that I will be here.

Mr. **Smith**. Well, I just want to say in the event you don't come back that you really have served very well on this Commission. I think we have been very fortunate to have you available. You made yourself available to take on this very important task. I have noticed it for years, being in government and interested in government, and seeing how the schools and the students, including my children, had little access in school to anything that would help them to appreciate the difference in our form of government and other forms—they don't know the difference between the parliamentary system and our form of government.

So your work has helped a great deal. I think we all appreciate what you have done.

Mr. **Regula**. Here, here.

Chief Justice **Burger**. Thank you, Mr. Chairman, Members of the Committee.

It is a coincidence, but a very happy coincidence, that these great events that are happening in Central and Eastern Europe now coincide with what we are doing.

When someone asked me about this with respect to an article that I was doing on the subject, which will be published next week in USA Today, I said, well, I would not want it to be generally known, but in the evenings, every evening I have a visit with Mr. Gorbachev, and we plan these things.

Actually, what is happening there is doing more for our constitutional concepts than all the things that the Commission has tried to do. So we ought to make Mr. Gorbachev at some time at least a honorary member of the Commission.

Mr. **Smith**. Well, you know, we were in Hungary and met with a number of people over there. This is before they knew how far they could go. We knew from talking to them they were going to go as far as they were permitted to go; but what was not known was whether or not the Soviets would let them go as far as they have.

The Hungarians had these rather basic questions that those of us who are in government and who run for government offices don't think anything about—how do you hold caucuses, how do you select candidates, all these kinds of things. I came back, and I was telling some people about it; and then I heard a number of others talk about it. Then I got to thinking—about 90 percent of the people in this country doesn't know these things either. We deal with it every day. We just assume everybody knows how government works; but we have not done the job in schools in the last 30, 40 years until—the only thing that has been done, really, is what has been done since the Bicentennial Commission was formed.

TEACHER EDUCATION

Chief Justice **Burger**. And I repeat that the teachers have just been great. I suppose I have talked to about 30,000 school teachers in their conventions. For quite awhile, I gave priority to invitations to come to speak to a school teacher's convention over some things that even looked more important; and I think we are going to continue to have their support, because they have seen the gap in the knowledge of the children and of themselves. It is about three-and-a-half million every year; isn't it?

Mr. **Atherton**. That is right.

Chief Justice **Burger**. That we have to conduct the seminars to teach the teachers?

Mr. SMITH. Well, I think the teachers that used to teach Civics know that they have been assured materials and opportunities to teach their students. But the schools started combining Civics with History, and the next thing you know, all they have is a high school history course. Then somebody says well, for the students in this school—instead of having whatever is left of the Civics course, we ought to give them the first year college history so they won't have to take that in college.

And so they got around to where they had first year history that used to be in college as a substitute for Civics in high school. And the colleges didn't teach Civics either. And the Social Studies, which has a different definition in almost every school that teaches it, sometimes covers what is important, and sometimes it doesn't reach the real point.

I can recall as a youngster in school, I think in the fifth grade in the Civics class—they were having it that early in those days—we learned that one of the differences between our country and most of the rest of the world was that in all criminal charges, the defendant had the benefit of the presumption of innocence, and that only England and a few other places in the world shared that. I don't think you would find many kids in this country today who understand that and understand the importance of it.

Mr. ALEXANDER. Mr. Chief Justice, if the Chairman will yield, I am appalled at the ignorance of government among the college educated men and women in our society, especially my generation and younger.

I have had just recently talked to a young man who is a graduate of a fine university in the midwest. He is running a large multimillion dollar corporation in my district. He asked me quietly and somewhat ashamedly, what does Congress do?

They don't know what Congress does. It's appalling. I think we are beginning to turn the corner on that. I hope so.

That is the importance of what you suggest, Mr. Chairman, that after this Commission is out of business, that there should be a continuing program of education.

I know everybody that comes to you with programs says they aren't going to cost very much. That program wouldn't cost very much, and the return will be simply enormous.

I have gone to meetings of businessmen and been appalled that some of the top CEOs in this country didn't know the common market idea comes out of commerce 11 words in the clause of the United States Constitution. As a result of that came one article that has been published in several business magazines.

Those fellows in Philadelphia started something that has never been equaled before, and we have got to tell that story to the youngsters in this country.

Mr. SMITH. Okay. Thank you very much.

Chief Justice BURGER. Thank you, Mr. Chairman. Thank you.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Smith

Bill of Rights Event

QUESTION:

1. The fiscal year 1991 project list included in your justification indicates that $500,000 has been set aside for the Bill of Rights Event, but the list does not include any details on the project. Could you briefly describe this event now, and provide detailed information for the record?

ANSWER: At its meeting in September 1989 the Commission set aside $500,000 for a special event on the Bill of Rights sometime in 1991. The FY 91 operating budgets which the Commission approved were to provide a planning base for Commission activity and were approved on the understanding that they might be altered as the planning process matured.

At the time of this action the Commission's planning for the commemoration of the Bill of Rights was still early on. The report of the Commission's outside ad hoc advisory committee on the Bill of Rights had submitted its report only a month before and a summary/analysis of the report was presented to the Commission at the September meeting.

In approving the authorization of $500,000 the Commission directed staff to proceed with the development of more specific plans for major event celebration(s) of the Bill of Rights. Following up on this directive produced the Task Force Report, of which the House Appropriations Committee have a copy. That Report recommends a major event and closing celebration on or about December 15, 1991, to be preceded by another ceremony in September or early October. The interval between would be dedicated to on-going educational activities in schools and among other constituencies. Additional information about these plans is provided in the Task Force Report. Staff are now working on the particulars, which will be considered at the next Commission meeting in early March.

QUESTION:

2. Since the primary justification for extending the Commission through the end of calendar year 1991 was to give emphasis to the Bill of Rights, why are you only designating what is a relatively small percentage of your request to this final event?

ANSWER: The budget item of $500,000 refers only to one part of the Commission's plans for commemorating the Bill of Rights: the major event(s) described above. That commemoration will involve a large number of other programs and activities, some new, some ongoing, most of which are described in the Task Force Report. For example, the monies set aside for the Discretionary Grant Program, College Community Forums, National History Day, regional meetings, and various publications will all be dedicated to programs focusing on this commemoration. Indeed, most of the entire program budget for FY 91 will be dedicated, in one way or another, to this end.

QUESTION:

3. How much has been allocated for the Bill of Rights project in previous fiscal years?

ANSWER: As the Committee are aware, the Commission's commemoration of the Bicentennial of the Constitution has followed a "five-year plan," wherein a different theme has been emphasized each year. The year, for example, our focus has been on the Judiciary, as last year it was on Congress and the Executive Branch. Appropriately, therefore, no major funding was earmarked for the Bill of Rights prior to the FY 91 budget.

It should be noted, however, that since the celebration of the Constitution, especially its educational programs, presents something of a "seamless web," the Bill of Rights has received some attention in the Commission's activities and expenditures in previous years. For example, in its FY 90 operations, the Discretionary Grant programs solicited and funded several projects in teacher training and curriculum development on the Bill of Rights. The Commission's co-sponsorship of the National History Day competitions for 1990-91 on "Rights in History" involves expenditures in both FY 90 and FY 91. The Commission's funding of adult education materials from FY 89 includes a reading module on the Bill of Rights.

Similarly, the Center for Civic Education's National Bicentennial Competition on the Constitution and Bill of Rights, funded in a considerable amount for the last four fiscal years, has given this same subject significant emphasis. The list of examples could be extended, but only to make the point that the Commission's activities now and in the Bicentennial's concluding year represent both a culmination and continuation of its mission, in which the Bill of Rights has taken a major part.

Commission Request

QUESTION:

1. The Commission's fiscal year 1991 budget request is almost $2 million over the final appropriation level for fiscal year 1990. I understand that this request is to fund the Commission through December 31, 1991 when the Commission statutorily sunsets.

a. Does the $2 million increase primarily reflect the fact that this request is for five fiscal quarters instead of the usual four, or are there also increases in project funding?

ANSWER: The budget increase primarily reflects the additional fiscal quarter plus an estimate of the funds required by GSA to terminate the Commission.

QUESTION:

b. Even with the necessity to cover one additional quarter, with a planned phaseout of staff and related costs, shouldn't we have seen more of a decrease in the administrative portion of this request?

ANSWER: No, for two major reasons. First, prior to the submission of the five quarter FY 91 budget and with the approval of OMB, the Commission undertook a complete Functional Area Review to determine its requirements for Full Time Equivalent (FTE) personnel positions. The resulting functions were utilized to produce the 48 FTE requirements listed in the request. These requirements, ie. mail delivery, invoice processing etc., must be maintained at a minimum level until the Commission stops functioning. Further, these FTE positions are planned to evolve from Commission employees to interagency Agreements or contracts throughout FY 91. Second, the Commission will undertake a major event on December 15, 1991, the commemoration of the ratification of the Bill of Rights, just 16 days before the Commission terminates. This fact will necessitate a rather elaborate planning matrix coordinated with the proper funding to ensure proper execution.

QUESTION:

2. The Commission's request is $380,000 lower than the amount originally requested of OMB. Is this reduction related to personnel and administrative costs, or will any projects have to be cut back or eliminated?

ANSWER: Yes. This reduction is related to personnel and administrative costs and will have no impact on project funding levels.

Personnel

QUESTION:

1. When asked last year for a detailed personnel phaseout plan, the Commission replied that such a plan was under development and would be submitted with the fiscal year 1991 budget request. Has this plan been completed? Please briefly describe it and submit details for the record.

ANSWER: Yes. The Commission phaseout plan has been completed with the completion of the Functional Area Review mentioned in response to question 1(b). The Commission will maintain 48 FTE functions throughout FY 91 with the number of actual Commission employees falling to 25 by Constitution Week and 10 personnel remaining to close out the Commission's activities during the October - December 1991 period.

QUESTION:

2. Your justification material indicates a staff reduction from 80 in fiscal year 1990 to 48 in fiscal year 1991. What types of positions will be eliminated in 1991? (If this information is not included in the phaseout plan requested above, please provide a detailed breakdown for the record).

ANSWER: This information is included in the material provided for the record in the previous question.

Education Grant Program

QUESTION:

1. As in fiscal years 1989 and 1990, the Commission is again requesting $7.5 million for education grants in fiscal year 1991. Would you consider this program one of the Commission's most successful projects? Please briefly describe the focus of the 1991 round of grant funding.

ANSWER: In the five rounds of competition since its inception in 1987, the Bicentennial Educational Grant Program has awarded $7,621,484 in funding support for 164 projects. Funded projects range from local to national in scope, designed for use in urban school districts and local town schools, and directed to audiences from kindergarten through twelfth grade. Included in these audiences are groups with special needs and interests such as the handicapped, those deemed at-risk, those from minority backgrounds, and those for whom English is a second language (ESL). Simply put, the Bicentennial Educational Grant Program has succeeded in reinvigorating education on the Constitution and the government it creates at all levels of pre-collegiate learning. The final year of the grant program will continue to carry out its mandate of providing programs and curricular materials designed to benefit elementary and secondary school students. Keeping with the Commission's mandate in FY 1991, the program will encourage specifically programs focusing on the Bill of Rights and subsequent Amendments; any aspect of the Constitution, however, will be accepted as the subject of grant applications. A concerted effort has been made to expand the list of organizations which receive application information on the program to include ethnic and minority groups as well as other groups for whom the Bill of Rights may hold special significance.

Finally, it should be noted that the total amount requested for grants in FY 1991 reflects the Commission's recently expanded grant authority. The Commission will implement this authority in the following four ways: 1) the National Bicentennial Competition on the Constitution and Bill of Rights; 2) the Bicentennial Educational Grant Program; 3) other projects at the pre-collegiate level including the National Historical Pictorial Map Contest and National History Day; and 4) projects at the university level and above including the College Community Forum Program.

QUESTION :

2. The budget justification materials indicate that in fiscal year 1989 the Commission received 293 applications for grants under this program. How many of these requests were actually funded? Please provide a complete list of activities and funding levels for the record.

ANSWER: In the two rounds of competition in FY 1989, 294 applications were received and 61 were funded. Divided by round, this breaks down as follows: 1989 Round 1, 157 applications were received and 33 were funded at a cost of $1,671,759; and in Round 2, 137 applications were received and 28 funded at a cost of $1.72 million. Attached are two appendices: Appendix A identifies all projects and funding levels in FY 1989 and Appendix B identifies all projects from the preceding two years.

Historic House Purchase

QUESTION:

1. The fiscal year 1990 conference report earmarked $705,000 within your appropriation for the purchase of property to establish the Charles Pinckney National Historic Site. Could you give us a status report on the purchase?

ANSWER: An interagency agreement between the Commission and the National Park Service to effectuate the transfer of funds was drafted during December 1989 and sent to the Park Service. The Park Service has reviewed the agreement and approved it, however, the documentation (SF 1081) requesting transfer of the funds has not yet been received by the Commission. We expect to transfer the $705,000 to the Park Service during the week of 19-23 February 1990.

Rent

QUESTION:

1. Your budget request indicates that you anticipate for fiscal year 1991 a 15% increase in service costs related to the rental space you currently occupy (under tab 2). Later in the justification (tab 4) an object class distribution for fiscal year 1991 shows a decrease from the 1990 level in the amount set aside for the rent, communications and utilities line item. Since the 1991 column should reflect an additional quarter's worth of expenses, how do you explain this apparent anomaly?

ANSWER: In this category of expense for the Commission, Rent for the facilities is the major driving factor. While Riggs National Bank Officials have informed the Commission of an anticipated 15% increase in rental charges, decreases in Communication and utilities expenses commensurate with decreasing Commission employee strength account for the small overall reduction in FY 91 requirements.

TUESDAY, FEBRUARY 6, 1990.

JAPAN-UNITED STATES FRIENDSHIP COMMISSION

WITNESSES

DR. JOHN H. MAKIN, CHAIRMAN

DR. KENNETH PYLE, VICE-CHAIRMAN, UNIVERSITY OF WASHINGTON

Mr. SMITH. Okay. Next we have the Japan-United States Friendship Commission. And the new chairman of the Commission is Dr. Makin. The request is for $1,250,000 in the dollar account and $1,544,000 in the foreign currency account. We will insert the budget justifications in support of this request at this point in the record.

[The budget justification follows:]

JAPAN-UNITED STATES FRIENDSHIP COMMISSION
APPROPRIATIONS REQUEST AND JUSTIFICATION
FOR
FISCAL YEAR 1991

Submitted to
United States House of Representatives
Committee on Appropriations
Subcommittee on Commerce, Justice,
State, and Judiciary

January 12, 1990

In establishing the Commission in 1975, the Congress recognized the need for a specialized agency to strengthen the educational and cultural infrastructure of a unique bilateral relationship. The Congress gave the Commission the task of improving friendship and mutual understanding between the United States and Japan on a people-to-people basis, through long-term, in-depth exchange programs designed to transfer knowledge and appreciation for the accomplishments and values of each society to the other. That Japan should be the only country treated by the United States in this manner is understandable. The relationship involves the two greatest market economies and two of the most dynamic societies in the world, which compete economically, cooperate politically and in security matters, and yet are socially, linguistically and culturally remote from one another.

Over a relatively few years, the Commission has developed programs in both the United States and Japan which effectively use available resources to bring these societies into better mutual focus, thus helping to ameliorate the frictions and misunderstandings which inevitably arise.

Education, both academic and in the more general sense of the word, is a primary field of activity for the Commission in both countries. With a view to improving the ability of major educational institutions in each country to teach about the other, the Commission supports centers of Japanese Studies and American Studies, including library resources, in leading universities in both Japan and the United States. It assists individual universities to include courses in American or Japanese Studies or to introduce specialized material on the other country into the curriculum. It funds the fellowship programs administered by major scholarly organizations for proven scholars to do research in their specialty in the opposite country. In the United States, where the need for some types of specialists to deal with Japan is particularly acute, and where there is a growing concern about effective communication with Japan, the Commission funds programs to provide advanced Japanese language training, to increase the number of American specialists on Japan in law, journalism, and economics, and to encourage American graduate schools of business to introduce Japan-related material into the curricula. In particular, some of the programs the Commission has supported recently include:

(1) American Association of State Colleges and Universities, to provide operational support for "The National Institute on Incorporating Japanese Studies into the American Undergraduate Curriculum" held at San Diego State University.

(2) The University of Michigan, Committee on Japanese Economic Studies, for a fellowship program for the training of graduate scholars on the Japanese economy.

(3) The University of Hawaii at Manoa, College of Business Administration, Pacific Asian Management Institute, for developing faculty and student expertise in Japanese business organization and management practices.

The Commission also funds policy-oriented research at American and Japanese universities and research institutes on contemporary issues affecting the overall relationship between Japan and the United States. It encourages effective efforts to make the results widely available in both countries, in the belief that such efforts can do much to raise the quality of public debate and dispel potentially damaging misunderstandings and misconceptions. Recent subjects of Commission-supported research projects include:

(1) United States National Committee for Pacific Economic Cooperation, for a series of Congressional roundtable meetings entitled "The Pacific Basin, the United States and Japan's Internationalization."

(2) West Coast Forum on the Japanese Political Economy, for research and publication entitled "Japanese Investment in the United States: Should We Be Concerned?"

(3) The U.S.-Japan Economic Agenda, a wide-ranging series of briefings and seminars between academics, policy-makers, and businessmen on key aspects of the bilateral economic relationship; in FY 1991 special attention will be given to the establishment of regional trade blocs, agriculture, East-West trade controls, and closer parliamentary exchange between the United States and Japan.

The Commission is also deeply committed to the field of public affairs/education. One of the most important thrusts in this area is support to the network of 21 Japan-America societies, including the two newest member societies in Pittsburgh and Indianapolis. Located throughout the United States, the societies' mandate is to enhance public knowledge and understanding of current bilateral issues involving Japan through educational programming, and to provide centers where Americans and resident Japanese may associate to pursue mutual interests. This program has been funded for the past several years partially from the Commission's appropriated funds, but primarily from gifts from the Japanese government presented to the Commission specifically in support of "outreach" programming.

Beginning in FY 1988, the Commission broadened its application of outreach programming funds. Accordingly, the Commission also supports programs in areas of the United States that are just beginning to receive local contact from Japanese business interests. Examples of this type of outreach programming are:

(1) The University of Iowa, Iowa-Japan Project, for the creation of a state clearinghouse of information on Japan, with the long-term purpose of bringing the considerable resources of the University of Iowa in Japanese Studies to bear on state needs.

(2) Carnegie Council on Ethics and International Affairs, for a conference entitled "Japanese Investment in the United States and the African American Community."

(3) Appalachian State University, North Carolina, for a seminar entitled "Japan and the Pacific Rim," focusing on the incorporation of Japanese Studies into North Carolina secondary school curricula.

Conferences and exchanges between counterpart groups of journalists, legislators, teachers and graduate students in both countries continue to play an important role in the Commission's endeavors. Stimulated in part by increasing Japanese investment, the Commission is receiving frequent requests for this type of assistance from a range of universities and non-profit professional organizations. Another rapidly developing area of programming is educational television dealing with Japanese history and culture and current issues in U.S.-Japan relations.

The Commission has long been interested in furthering mutual understanding of how the Japanese and American legislative bodies function, as such understanding is critical to the success of bilateral negotiations. While legislators of both countries have frequent opportunity to travel to the other country, this is not as true with Congressional staffers and their Japanese counterparts in the Diet, LDP policy-making committees, and the various ministries. A grant to the Congressional Economic Leadership Institute in FY 1988 launched such an exchange study program. It proved so successful that the Commission repeated the grant in FY 1989 and plans to support a third trip of Congressional staffers in FY 1990.

The Commission believes that the broad range of experience and interests possessed by its members, and the independent status of the Commission itself have contributed greatly to the warm reception accorded the Commission's programs in Japan as well as the United States. The presence on the Commission of distinguished private citizens from many fields, senior members of the Senate and the House of Representatives, and high officials of the federal agencies engaged in international and cultural affairs provides a broad forum for review of programs from many points of view and ensures that those which the Commission supports will complement but will not duplicate or compete with others. The Commission continues to maintain liaison with major Japanese and American donor organizations, both official and private, to ensure compliance with Congress' intent that Commission-funded activities be incremental to and not a substitute for existing programs in either country.

The amounts of budget authority and outlays represented for each fiscal period are as follows:

	1989 Actual	1990 Actual	1991 Est.
Budget Authority (Appropriations)			
Domestic Program	1,415,000	1,350,000	1,250,000
Foreign Currency Program	1,700,000	1,610,000	1,544,000
Total Budget Authority	3,115,000	2,960,000	2,794,000
Outlays			
Domestic Program	2,315,000	2,250,000	2,150,000
Foreign Currency Program	1,700,000	2,200,000	2,300,000
Total Outlays	4,015,000	4,450,000	4,450,000

Note: The estimated outlays for the FY 1991 programs include $900,000 in draw-down on principle for the domestic program, and the equivalent of $756,000 in Japanese yen for the foreign currency program. The estimated total budget authority for both the domestic and foreign currency programs in FY 1991 is somewhat lower than in FY 1990 because of reduced anticipated interest earnings on the Commission's Trust Funds, which primarily result from drawing down on original principle (five percent annually permitted by law). Therefore, this actual reduction of more than nine (9) percent in the Commission's interest income brings the Commission's proposed FY 1991 budget authority into compliance with both the five (5) percent reduction in budget authority and the freeze in total outlays required by the Gramm-Rudman-Hollings legislation.

Subject to decisions by the Commission on individual project proposals, it is projected that this amount will be distributed as follows for Fiscal Year 1991 (in both currencies combined):

For Japanese Studies	1,200,000
For Public Affairs/Education	1,100,000
For American Studies	700,000
For Policy-Oriented Research	650,000
For The Arts	400,000
For Administration	400,000
Total	4,450,000

Note: The Commission operates with a full-time staff of five: an Executive Director, an Associate Executive Director, who is primarily responsible for the Commission's program in Japan, a Program Officer, a Secretary, and a Clerk-Typist.

Dr. **Makin**. That is right, sir.

Mr. **Smith**. Is that how you pronounce your name?

Dr. **Makin**. Yes, sir.

Mr. **Smith**. Go ahead with your statement.

OPENING STATEMENT

Dr. **Makin**. Thank you, Mr. Chairman.

I am pleased to introduce myself as the new chairman of the Japan-U.S. Friendship Commission. My name is John Makin. I am a resident scholar at the American Enterprise Institute.

I have with me today our new vice-chairman at the University of Washington, Dr. Kenneth Pyle. We have just begun our terms on the Commission, having been appointed in October, and so this rather preliminary discussion of the current activities of the Commission and——

Mr. **Smith**. We will put your entire statement in the record if you want to summarize it.

Dr. **Makin**. Fine. Why don't I do that.

Briefly speaking, the central purpose of the Commission is to enhance mutual understanding between the United States and Japan. Some of our activities concern research and investigations of the ways in which American businesses and policy-makers might better acquaint themselves with the social, economic and political institutions of Japan so as to better compete with Japan in the world marketplace.

I think it's no secret over the past year that some stresses have developed in the U.S.-Japan relationship; indeed, the front page of the New York Times today reports that the attitude of Americans toward Japan and Japanese business are becoming increasingly tense and unfriendly.

The Commission takes note of these issues and problems, and is anxious, I think, to continue to enhance our understanding of Japan as a way to better compete with the Japanese in the world marketplace.

Certainly, it's true and the authors of the survey in the Times note that one of the reasons perhaps for increasing tension between Japan and the United States is, of course, increased Japanese investment in the United States.

The Commission has in the past and will continue to do ongoing research on the success or failure of Japanese investment in the United States and ways in which American companies might be more successful investing in Japan.

The other reason for increased tension between Japan and the United States is simply a kind of good news story; that is, the Soviet Union is perceived as less of a threat, economic power appears to have become more important than military power, and so we look to our major challenge from economic competitors rather than from military competitors.

In a sense, I think that that is rather good news. Certainly an economic contest has an outcome that includes gains for both sides, whereas a military contest is a loss for everybody.

So while we do certainly face new challenges, their nature is more economic than military. And I welcome that challenge, and I think it leaves us in a better position to improve our lot in the world.

We would rather battle Japan on the field of economic competition than the Soviet Union in a military conflict. I am optimistic that the Commission's activities can continue to enhance our understanding of Japan and our ability to address some of the challenges that Japan presents in the world marketplace.

Some of the specific projects we have done I will mention briefly, and then, of course, invite your questions. Examples of our research would include grants to the University of California at San Diego on the role of Japanese manufacturing firms in Mexico and their relationship with Japanese firms in the United States.

At the University of Minnesota, we have funded a comparative study of Japanese-owned manufacturing plants in the U.S. and American plants in Japan.

Over the past year, the Commission has funded a discussion group, a study group, of the effect of Japanese investment in the United States and whether we should be concerned about it. I participated in that program; it consisted of a series of seminars conducted around the United States. Both sides of the story were presented and discussed in a lively manner.

The Commission has also funded studies and discussion groups on U.S.-Japan economics and security, edited by Harold Brown, and the broader geopolitical issues including "The Allies and East-West Economic Relations: Past Conflicts and Present Choices," edited by Henry Nau and Kevin Quigley. Henry Nau is a former member of the National Security Commission and now a dean at George Washington University.

Let me just conclude by saying that yesterday we had our first meeting of the Commission's new Executive Committee, at which we resolved to pursue with greater vigor, studies funded by the Commission that focus even more sharply on enhancing the ability of American firms to compete and where possible, helping the United States Government better articulate a constructive policy toward Japan, both in the economic and military geopolitical sphere, one that reflects America's best interests.

Let me stop there and invite questions.

[The prepared testimony and biography of Dr. Makin follows:]

STATEMENT OF CHAIRMAN JOHN H. MAKIN
JAPAN-UNITED STATES FRIENDSHIP COMMISSION

HEARING BEFORE THE
SUBCOMMITTEE OF COMMERCE, JUSTICE, STATE, AND JUDICIARY
UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
TUESDAY, FEBRUARY 6, 1990

Mr. Chairman and Distinguished Members of the Subcommittee:

I am pleased to introduce myself as the new Chairman of the Japan-United States Friendship Commission. I am John Makin - a resident scholar and director of fiscal policy studies at the American Enterprise Institute. As you are perhaps aware, the Chairman and other Commissioners serve a maximum of six years. The former Chairman, Dr. Glenn Campbell, finished his term last July and I was appointed in October. Incidentally, the same process will bring a total of five new Commissioners to the organization by the time of the next semi-annual meeting in April, in addition to several of the ex-officio members who changed with the incoming Bush administration. Thus, the Commission has a good deal of "new blood" and we are in something of a transition status.

The central purpose of the Commission is to enhance the mutual understanding of the economic, political, social, and cultural characteristics of our two societies. In the past, the Commission has placed emphasis on the cultural and educational dimension of our relationship and we shall continue to devote resources to that end. However, in view of the increasing economic and political significance of Japan, the Commission aims in the future to devote more resources toward issues surrounding our economic and political relationship.

It is no secret that some stresses have emerged, particularly in the economic and political dimension of the relationship between Japan and America. These stresses, not surprisingly, have emerged at a time when the economies of the two nations are becoming increasingly interdependent and when business, governmental and private communication between Japanese and American counterparts has grown closer. Beyond this, broad geopolitical changes whereby the Soviet Union is perceived as less of a threat have freed up energy and resources to examine aspects of the U.S.-Japan relationship that might previously have been submerged in the interests of maintaining a united posture in the face of a potential Soviet threat. The projects funded by the Commisson are already beginning to reflect these new realities.

Perhaps the best way to understand the Commission is to focus briefly on some of the more interesting and important projects supported during the past year and to give you some of my preliminary thoughts on priorities that are likely to be followed in the future.

At the international and national levels, one of the Commission's major projects is the U.S.-Japan Economic Agenda, a joint project of the Carnegie Council on Ethics and International Affairs and The George Washington University, which is bringing together academic experts, Congressmen and staffs, government officials and businessmen to study problems in U.S.-Japan trade. Under its current grant, the Agenda is focusing on the following topics: (1) agricultural trade; (2) technology and export controls; (3) finance and investment; and (4) energy and the environment. Also, following the successful initial exchange last year, the Agenda will arrange for a group of U.S. Congressmen to discuss mutual problems with Japanese Dietmen. The Agenda's publications (some of which I have brought with me), seminars, and briefings continue to attract expert participation, good audiences, and other financial support, particularly on the Japanese side.

Examples of other research in the economic realm include grants to: (1) the University of California at San Diego on "The Role of Japanese Manufacturing Firms in Mexico and Their Relations with Japanese Firms in the United States;" (2) the University of Minnesota on "A Comparative Study of Japanese-Owned Manufacturing Plants in the U.S. and American Plants;" and (3) SRI International on "Forming a Mutually Beneficial Complementarity: The Future of U.S.-Japan Economic Relations."

At the regional and local levels, increased Japanese economic activity has had a direct impact on the work of the Commission. A second grant was made to the Lazar Institute (a think-tank in McLean, Virginia) for a study of the pros and cons of Japanese investment in the United States - a subject that has received much coverage in the press of late. Earlier, the West Coast Forum on the Japanese Political Economy (a group of scholars led by the University of Washington) published "Japanese Investment in the United States: Should We Be Concerned?" This project, in which I participated during 1988, like a previous Forum project on trade relations funded by the Commission, included a series of public sessions by the authors and local experts in various parts of the country. Based on these demonstrated successes, in September the Commission voted to fund a third Forum project dealing with the "Structural Impediments Initiative," which is now the major issue being discussed by Japanese and American Government negotiators.

Often accompanying Japanese-American economic interaction at the local levels is the upsurge in public interest in Japanese management, education, language and culture. Through Japan-America societies, universities and various non-profit organizations, the Commission is able to support training programs, conferences and seminars, exhibitions and film festivals. Often such small-scale activities lead to more professional and concentrated programs in Japanese studies.

The Commission continues to give high priority to the problem of providing greater access for American scientists and engineers to the achievements of Japanese science and technology. As the basic problem here is the Japanese language, the Commission has provided continuing support to the Massachusetts Institute of Technology for language fellowships, internships, seminars and summer workshops on technical Japanese. The Commission has made similar grants to the University of California at Santa Barbara, the American Electronics Association and the University of Wisconsin for the training of engineering students in the Japanese language.

In the political realm, the Commission remains interested in improving understanding and dialogue between the Congress and the Japanese Diet. For the third year running, under the auspices of the Congressional Economic Leadership Institute, the Commission supported a study tour to Japan by senior Congressional staffers in January, 1990. With the cooperation of the American Embassy, American business and media, and various branches of the Japanese Government, this project has been successful in promoting a mutual exchange of views on pressing issues and in establishing personal relationships.

Beyond these specific activities, the Commission has had significant Congressional staff participation at our semi-annual meetings. We have also maintained a continuing dialogue with individual Members of Congress concerning the work of the Commission.

While focusing more attention on contemporary needs and problems, the Commission remains true to the original vision of its founders and the intent of the legislation to foster advanced scholarship on Japan. The Commission continues to make grants in support of libraries, research and teaching in our institutions of higher learning. A major grant to the Social Science Research Council provides prestigious fellowships based on national competition to Japan scholars in a variety of fields. A grant to the Association for Asian Studies supports conferences, language workshops, and research projects for Japan specialists, particularly those teaching outside the main centers. A fellowship program supported for many years at the University of Michigan has produced a steady stream of Ph.D.'s in economics with Japanese language competence. These graduates, as well as those coming out of the MBA programs in several business schools that the Commission has been supporting, are finding excellent and well-paying positions in industry, finance, government, and academe.

So much for what has been happening with the Commission over the past year. Now, I would like to share with you some thoughts about what might be taking place in the future. Yesterday, I met for the first time with our Executive Committee, which is composed of seven Commissioners. The purpose of the meeting was to review the Commission's program and priorities in the light of the urgencies apparent in current U.S.-Japan relations. Here are some of our preliminary thoughts, which I plan to present to the Commission's next full meeting in April for discussion and approval. I would like to emphasize that they are necessarily tentative.

(Here Dr. Makin will introduce material that resulted from the cited meeting on Monday, February 5.)

I have not dealt with the Commission's finances in this testimony as this material was covered in our formal appropriations request that was forwarded to you earlier. You will have noted that there are no special problems, and that the Commission plans to operate at slightly diminished financial levels, in terms of budget authority, next year. We are grateful for Congressional approval of our request for FY 1990, and hope that we can expect the same vote of confidence in FY 1991.

Thank you. That concludes my testimony. I would be happy to try to answer any questions you may have.

JOHN H. MAKIN

Background Information

John H. Makin is the Director of Fiscal Policy Studies at the American Enterprise Institute for Public Policy Research in Washington, D.C. The American Enterprise Institute is a private, non-profit research organization. Established in 1943, it conducts active research programs on economic policy, political affairs and social policy. Prior to joining AEI John Makin was the Director of the Institute for Economic Research and Professor of Economics at the University of Washington in Seattle.

Dr. Makin also serves as Chairman of the Japan-United States Friendship Commission and CULCON, the United States-Japan Conference on Cultural and Educational Interchange. The Commission administers $4.5 million in research grants on Japan-United States policy research and cultural exchanges.

Dr. Makin graduated from Trinity College in Hartford, Connecticut in 1965 and then pursued graduate study in economics at the University of Chicago, receiving his MA degree in 1969 and his doctorate in 1970. Dr. Makin has conducted extensive research in the areas of international trade and finance, monetary theory and policy, interest rate and exchange rate behavior, and tax and budget policy. He is the author of more than sixty scientific articles and has authored or edited more than a dozen books on a wide range of economic subjects.

Dr. Makin has served as a consultant to the U.S. Treasury, the Federal Reserve System, the International Monetary Fund, the Bank of Japan, and numerous leading corporations. Currently he is a member of the panel of Economic Advisors of the Congressional Budget Office and an associate editor of the Review of Economics and Statistics. He also testifies frequently before the Congress on issues of international competitiveness, trade, tax and budget policy. He is a member of the American Economic Association, the U.S.-Japan Consultative Group on Monetary Affairs and the Cosmos Club in Washington, D.C.

Dr. Makin also comanages an investment advisory service offered through Mabon Nugent & Co. in New York and consults worldwide on financial and economic matters. He contributes frequently to the New York Times, the Los Angeles Times and the Wall Street Journal. He writes a regular column, "The Capital Economist" for the Washington Times. John Makin was born in Brattleboro, Vermont in 1943. He is married to Gwendolyn VanPaasschen, a legislative assistant to Senator John McCain, Republican of Arizona. John and Gwendolyn have lived in Washington, D.C. since 1984.

Mr. SMITH. Have you spent some time in Japan?

Dr. MAKIN. Yes, sir, I have.

Mr. SMITH. How much; tell us.

Dr. MAKIN. Well, my visits to Japan go back to—actually, 1979 when I was a professor at the University of Washington; and my colleagues, including Professor Pyle at the Henry M. Jackson School of International Studies, encouraged me to visit Japan.

At that time, my primary interests were as an academic economist looking at international economic questions, international capital flows, exchange rate determinations; and, of course, the rapidly growing trade between the United States and Japan was such a focus of activity that I thought, as an international economist I should upgrade my knowledge.

Certainly moving to the West Coast from the East Coast made me shift my focus in the international trade area from the Atlantic to the Pacific; and over the past decade and a half, I have been a frequent traveler to Japan, back and forth, generally focusing on economic issues.

At the end of 1988, I participated in a visiting scholars program at the Bank of Japan; Bank of Japan being the equivalent of our Federal Reserve system. They have a steady stream of American scholars in residence to better understand the activities of the Japanese economy, to undertake research on U.S.-Japan relations, particularly in the monetary sphere.

As chairman of the Commission, my first visit to Japan was in November—and that visit included several meetings, going to update myself on some of the current issues confronting us—I met with Ambassador Armacost, the new ambassador to Japan.

Mr. Armacost and I discussed some of the issues that are facing the U.S. and Japan today. So it's been a long——

Mr. SMITH. Do you speak Japanese?

Dr. MAKIN. No, I do not.

Mr. SMITH. Do you think we can overcome the problems we have that your Commission is supposed to address until such time that a lot more Americans who deal in the business world speak Japanese?

Dr. MAKIN. I think that is a very important point, and I certainly find that in conducting my activities in Japan, I am at a disadvantage not being fluent in Japanese.

I would point out that a considerable amount of the Commission's resources are devoted to language training of Americans who will be dealing with Japanese counterparts in the business world.

We do recognize that need and perhaps I should take a year off and attend one of our programs.

Mr. SMITH. Well, then the other question comes about, what kind of language training programs are available for businessmen who are going to do business with the Japanese? And really it's deficient if they don't do it in Japan, isn't it?

Dr. MAKIN. That's true. One of the programs that we support is a language school active in Japan, in Yokohama. We provide a high level of support for that, and we can provide you with considerable detail on the individuals who have been trained in the program.

Mr. SMITH. Are you engaged in some activities that encourage or promote or help—I don't want to say young, because they are not necessarily young—but people who are going to be working in Japan, for corporations or others that are doing business in Japan, to go get this language training? Is that the primary focus of the training?

Dr. MAKIN. Many of the alumni of the language school are individuals who are training to do business in Japan, either in the American financial or business communities in Japan. A number of our students, well, for example, I ran into one of the past students in the program a few weeks ago who is now working as a reporter for U.S. News and World Report, and he's reporting on U.S.-Japan issues, and his high degree of fluency in Japanese, of course, gives him access to sources on both sides of the issue.

So I constantly am meeting people who benefited from the training, and I think while our program is relatively small, limited by the resources available, it's been quite an effective program.

Mr. SMITH. Well, with regard to your research funds, you have drawn down on the principal?

Dr. MAKIN. That is correct.

Mr. SMITH. What effect does this have on the Commission's long-term solvency?

Dr. MAKIN. Well, if we continue to draw down on the principal of the endowment, we would eliminate the Commission in about eight years' time. I will say that at yesterday's Executive Committee meeting, we determined to end the draw down on principal, because the members of the Commission's Executive Committee felt that in view of the importance of having an American funding source to support training in Japanese language and other activities, we ought to conserve that resource, indeed, even expand it possibly.

Mr. SMITH. Are there any plans to increase the resources?

Dr. MAKIN. Well, I am really proceeding on a step-wise basis, Mr. Chairman. First, to terminate the reduction in endowment, and then we hope perhaps that we will be able to improve the management of the endowment and perhaps thereby enhance our flow of income annually. Beyond that, if the need arises or if there is a demand for expansion of Commission activities, we might seek further funding from the private sector.

Mr. SMITH. Well, I guess that is what I was getting around to. Does your charter permit you to do that?

Dr. MAKIN. I believe it——

Mr. SLOAN. The law permits us to receive funds from outside sources, yes. So, theoretically, we could go in the fund raising mode if we wanted to.

Mr. SMITH. You would have to—I don't have any doubt there are funds available from outside sources if you tapped the right ones. But do you have a plan for doing that so that it in no way conflicts with your decisions at the Commission?

Dr. MAKIN. Let me, first, of course, introduce our Executive Director, Mr. Lindley Sloan, who replied to that question on our ability to seek outside funds.

In my own mind, I think that we will eventually be seeking outside support from the American business sector, particularly the part of the American business sector that is active in Japan.

Mr. SMITH. Well, I guess my question is, how do you—when you do that—insulate yourself from being influenced to spend your time on the issues they are primarily interested in rather than the broad friendship issues?

Dr. MAKIN. There, I think, my background at American Enterprise Institute will serve me well. My motto is there is safety in numbers. That is, if you seek a small amount of support from many different sources so that you don't have too much reliance on any single source, and the variety of sources of the funding, of course, means that the outlook of those who are contributing is broad.

We wouldn't, of course, want to have a major endowment from a single corporation, simply because even though the corporation might be entirely altruistic, the appearance would be such that we would have to avoid that.

Mr. SMITH. Well, if we have some more questions, we will contact your staff and put them in the record.

Thank you.

Dr. MAKIN. Thank you, Mr. Chairman.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Smith

Proposed Budget Justification

QUESTION: 1. Your budget justification material indicates a $100,000 reduction in the dollar appropriation for fiscal year 1991 and a $66,000 reduction in the foreign currency appropriation, yet your estimated outlays remain level at a total of $4,450,000. I understand you accomplish this through a draw down of original trust fund principal to supplement the interest payments usually used to fund your programs.

a. Could you briefly explain how your trust fund was established and how drawing down on the principal is actually accomplished?

b. For how many years has the Commission been forced to draw down on principal to supplement its interest earnings? Please provide for the record, by fiscal year, the dollar amount and percentage of principal drawn down since fiscal year 1987, as well as the current amount of principal remaining in the trust fund.

c. Assuming the current rate of draw down, can you make a projection as to when the trust fund would be reduced to the point that the Commission would no longer have sufficient funds to carry out a viable grant program?

d. Has the Commission considered any legislative proposals to change the authorizing statute to allow for additions to the trust fund capital, or perhaps to authorize direct appropriations?

ANSWER: a. None of the present Commissioners or staff was present at the creation of the trust fund. However, the original principal derived from the resale of American facilities on Okinawa (dollar fund) back to Japan, and the payment of G.A.R.I.O.A. post-war aid (yen fund) to the United States. A portion of each of these sums was set aside to create the Japan-U.S. Friendship Trust Fund, the Commission's operating principal. Further details on the source of funds, rationale, mechanics, etc., are outlined in P.L. 94-118. Regarding draw down on principal, P.L. 94-118 stipulates that the Commission may draw down five percent of the original principal of the trust fund on an annual basis. Beyond that, there is no special mechanism for drawing down on the principal, as opposed to utilizing the interest on the fund. Both interest and principal derive from the same account in the Treasury.

b. The Commission first drew down on its original principal in fiscal year 1979, and has drawn down on this principal every year since 1981. The percentage of principal drawn down on an annual basis has fluctuated from a low of 0.36% to a high of 3.96%. Details for fiscal years 1986 through 1989 are given below

Fiscal Year: 1986	Amount: $ 64,046	Actual Percentage: 0.36%
Fiscal Year: 1987	Amount: $ 679,277	Actual Percentage: 3.77%
Fiscal Year: 1988	Amount: $ 304,961	Actual Percentage: 1.69%
Fiscal Year: 1989	Amount $ 537,260	Actual Percentage: 2.98%

For the Commission's dollar fund, the current balance is $14,306,000 in U.S. Treasury instruments.

c. We estimate that, at the current rate of draw down, the Commission would not have a "viable grant program" in 1998. However, as indicated in Dr. Makin's verbal testimony, it is likely that the Commissioners will adopt a policy of not continuing to draw down on principal in the spring of 1990. Thus, this situation should not eventuate.

d. Dr. Makin and members of the Executive Committee have discussed the desirability of maximizing the Commission's resources by securing greater flexibility in managing the investment and, perhaps, by raising funds in the private sector. Again, decisions in this regard will be made in the spring of 1990. (Note: The original authorization was $6,000,000 higher than the actual appropriation so, to that extent, new authorization is not necessary.)

Grant Awards

1. QUESTION: From what source are the majority of your grant proposals received?

ANSWER: The majority of the proposals received by the Commission come from universities. The second largest category would be non-profit organizations.

2. QUESTION: How does the Commission solicit annual proposals - is there a notice in the Federal Register each fiscal year?

ANSWER: The Commission does not directly solicit proposals, although the Commission is well known in academic circles and public affairs organizations concerned with Japanese affairs. The Commission does not place a notice in the Federal Register each fiscal year, but the Commission's purpose and programs are listed in foundation directories and journals dealing with Asian affairs. Commission-supported projects also receive occasional media coverage. Virtually all Commission-financed research products and other publications give public credit to the Commission.

3. QUESTION: How does the Commission monitor grant awards and grantee performance? What are the workyear requirements for carrying out this monitoring each fiscal year?

ANSWER: Each agreement covering a Commission grant requires the grantee to submit both a program and a financial report. These reports are carefully reviewed by staff for adequacy and impact. Further evaluation is often obtained through site visits, discussion with researchers, trainees, outside experts, etc. Monitoring is a continual process, and is difficult to quantify in terms of "workyears." All three of the Commission's professional staff are involved.

Information Dissemination

1. QUESTION: How are reports and other documents produced through projects supported by the Commission distributed, and to whom?

ANSWER: Sometimes publications are distributed by the grantee; in other cases by the Commission. In either case, every effort is made to ensure that all important and relevant "customers" are served.

This would normally include university centers of Japanese studies, think tanks, government agencies, business, and world affairs organizations. The Commission maintains specialized lists for different purposes. Incidentally, all members of Congress receive all important publications emanating from Commission-supported projects.

2. QUESTION: Are the costs for publication and dissemination of these materials included under the Commission's budget request for administrative expenses?

ANSWER: Costs for dissemination of publications stemming from Commission-supported research projects are normally built into the grant. But the Commission also mails considerable material directly from its office, the cost for which is taken from the administrative budget.

3. QUESTION: An object classification distribution furnished as a supplement to your budget request shows funds associated with the printing category dropping from $10,000 in fiscal year 1989 to $2,000 in fiscal year 1990. In the column showing the proposed distribution for the 1991 administrative expenses, the printing category is increased again to $10,000. What is the explanation for this dramatic shift in printing expenses?

ANSWER: The Commission currently issues a printed "annual" report every two years. In these years, printing costs are naturally much higher (FY's 89 and 91) than in off years (FY 90), which require only minimal expenses for miscellaneous special printing.

TUESDAY, FEBRUARY 6, 1990.

CHRISTOPHER COLUMBUS QUINCENTENARY COMMISSION

WITNESSES

JOHN GOUDIE, CHAIRMAN
RAUL DE QUESADA, DIRECTOR
PACO MARTINEZ-ALVAREZ, DEPUTY DIRECTOR
JANA JOUSTRA, DIRECTOR OF PUBLIC RELATIONS

Mr. SMITH. Next we have the Christopher Columbus Quincentennary Jubilee Commission. Your request this year is for $217,000, and we will insert the justifications submitted in support of this request into the record at this point.

[The budget justification materials follow:]

CHRISTOPHER COLUMBUS QUINCENTENARY JUBILEE COMMISSION

APPROPRIATION REQUEST

FOR

FISCAL YEAR 1991

Subcommittee on Commerce, Justice, and State, the Judiciary, and
Related Agencies of the Senate Committee on Appropriations

CHRISTOPHER COLUMBUS QUINCENTENARY JUBILEE COMMISSION

FY 1991 BUDGET REQUEST PAGE

Appropriation Language.................................... 2

Executive Summary.. 3

Background.. 4

Report to Congress.. 5

Legislative Program... 6

Activities Carried Out in Fiscal Year 1989 7

Official Quincentenary Projects
Initiated in Fiscal Year 1989 10

Official Quincentenary Projects
Planned for Fiscal Year 1990 14

Official Quincentenary Projects
Planned for Fiscal Year 1991 17

Official Quincentenary Projects
Planned for Fiscal Year 1992 20

Fiscal Year 1991 Budget Policy.............................. 23

Summary of Resources.. 24

Budget Tables... 25

Gifts and Donations... 26

Object Classification....................................... 27

Narrative Justification..................................... 28

Appropriation Language

Christopher Columbus Quincentenary Jubilee Commission

Salaries and Expenses

For the necessary expenses of the Christopher Columbus Quincentenary Jubilee Commission, $214,000, to remain available until December 31, 1993, as authorized by section 11(b) of Public Law 98-375, as amended.

EXECUTIVE SUMMARY

The Christopher Columbus Quincentenary Jubilee Commission was established for the purpose of planning, encouraging, coordinating, and conducting the commemoration of the historic voyages of discovery of Christopher Columbus. The requested appropriation will continue to support the administrative expenses of the thirty member commission and planning activities which are carried out in conjunction with state Quincentenary Commissions and the governments of Spain and Italy as well as with other government and private organizations in the United States. The budget request of $214,000 in appropriated funds is consistent with the President's deficit reduction plan for fiscal year 1991.

CHRISTOPHER COLUMBUS QUINCENTENARY JUBILEE COMMISSION

Background

October 12, 1992 will mark the 500th anniversary of Christopher Columbus' voyage of discovery to the New World in 1492. It is an anniversary which the American people have celebrated twice before, in 1792 and in 1892-93. By Public Law 98-375 (Christopher Columbus Quincentenary Jubilee Act), Congress once again provided for the public commemoration of the historic significance of Columbus' achievements. This law created the Christopher Columbus Quincentenary Jubilee Commission on August 7, 1984, an independent Federal agency directed by thirty commission members. At its first meeting, the Commission elected John N. Goudie Chairman and William H. McNeil Vice-Chairman.

Congress established the Commission for the purpose of planning, encouraging, coordinating and conducting the commemoration of Columbus' voyages. In carrying out this mandate, the Commission is charged with examining the historic role of the government and the people of Spain in order to promote a greater public awareness, understanding, and appreciation of the contributions made by Spain with respect to Columbus' voyages. It is further charged with fostering greater understanding of the political and cultural traditions of the countries to and from which Columbus traveled, which includes the nations of Italy and Portugal as well as the nations of the Americas.

Public Law 98-375 required the Commission to submit a report to the President and Congress incorporating its recommendations for a national program for the commemoration of the observance. The report was submitted on schedule on September 12, 1987 and will serve as the basis for the Commission's planning during the years leading up to the Quincentenary in 1992.

Report to Congress

The Commission's recommendations to Congress establish five themes which collectively embrace the broad significance of the Quincentenary:

Christopher Columbus, the man and the visionary;

Our Old World Heritage, especially the Spanish contribution to the exploration and settlement of the United States;

Our New World Heritage: the contributions of Native Americans to the cultures and peoples of the Americas.

The American Alternative: the New World's contribution to the Old World, particularly the common striving for freedom, democracy, and justice which binds us to the other nations of the Western Hemisphere.

New Worlds Then and Now: honoring the Columbian heritage of vision and courage by seeing the earth whole and by welcoming the challenges and opportunities that await the exploration of space.

In addition, the report proposes three major national initiatives to create enduring programs of commemoration. Each of these initiatives embraces a program of far-reaching significance, with the potential of enhancing the nation's cultural, educational, and intellectual vitality for many decades to come. The Commission intends to participate directly in the support and execution of each one of these programs.

Guided by the specific congressional suggestions outlined in Section 4 of Pub. Law 98-375, the report also identifies specific Quincentenary projects which it believes should be given high priority. These projects lie within the competencies and interests of a wide range of public and private organizations, and thus the Commission's role with respect to these projects will be primarily that of encouragement and coordination.

The report also describes appropriate opportunities for public celebrations and other commemorative activities during the Quincentenary years of 1992-93 and discusses plans for linking celebrations held in communities throughout the United States with the international observance of the Quincentenary. The activities proposed provide for broad public participation in Quincentenary events and will generate significant economic benefits for the communities which undertake them.

Legislative Program

To facilitate its program, in 1987, the Commission proposed certain technical amendments to Public Law 98-375. The Commission's Finance Committee determined that the caps placed by Pub. Law 98-375 on contributions made to the Commission, along with the restrictions placed upon the commercial use of its logo, severely limited the possibilities of raising sufficient money to support a national program of appropriate quality and scale. Accordingly, legislation was introduced in the Congress in May 1987 as S. 1180 by Senator Dennis DeConcini of Arizona and H.B. 2309 by Representative Ron de Lugo of the Virgin Islands. The bill, H.R. 2309 passed the House on August 3 and the Senate on August 5, 1987.

In addition to lifting the caps on donations to the level previously authorized for other commemorative commissions and making possible commercial use of the logo under appropriate circumstances, the changes lengthen the life of the Commission until the end of 1993, making possible its participation in the quincentenary commemoration of Columbus' visits to the Virgin Islands and to Puerto Rico during his second voyage in November 1493. Other changes provide a distinction between publicly paid staff and staff paid from private donations, encourage the use of expert advisors who donate their time by permitting reimbursement of some of their expenses, and permit the use of up to $7500 of privately donated funds for expenses relating to the hosting of representatives of foreign governments. Furthermore, the amendment creates an additional non-voting foreign representative from a Caribbean country designated by the Commission on a rotating basis.

Activities Carried Out During Fiscal Year 1989

In 1989, the Commission advanced its planning for maritime programs. In May, on Governors Island in New York, the U.S. Commission hosted the eleventh meeting of the International Organizing Committee of the Grand Regatta Columbus '92. The regatta of the celebrated "Tall Ships" is scheduled to depart in the spring of 1992 from Cadiz, Spain to San Juan, Puerto Rico and on to New York and Boston before returning to Liverpool, England. The meeting brought together representatives of Spain, Italy, Portugal, Great Britain and Puerto Rico. A winning design was submitted by the U. S. delegation for the official medal of the regatta.

The Commission has taken steps to encourage the visits of tall ships to U. S. port cities. The city of Boston co-hosted a reception with the Commission on Capitol Hill in late June. The Washington diplomatic community was in attendance and speakers encouraged countries to send their tall ships to Boston in July, 1992. Boston has been selected as the host city for the next meeting of the IOC in May, 1990.

Representatives of the U.S. Commission attended ceremonies in Spain on the occasion of the christening of the replicas of the Nina and Pinta, commissioned jointly by the Spanish and U.S. Commissions for the Quincentenary. The Santa Maria is scheduled for christening in October of 1989. In a joint cooperative effort between the United States and Spain, the three replicas will sail from Palos, Spain to the Bahamas and continue on to the U.S. Mainland in 1991.

Designed and built using plans secured from Mr. Jose Martinez-Hidalgo, a Spanish historian considered to be the foremost authority on Columbus' ships, the caravels will travel extensively, providing the American people with a firsthand opportunity to experience the thrill of exploration. A tour, to be conducted jointly by the Commission and the government of Spain, of North, South, and Central America will commence in the spring of 1991 and continue on through 1993 .

In connection with the Caravels tour, the Commission will work in conjunction with corporate sponsors to develop a multi-city cultural program, which will emphasize the contributions of Spain to the development of the New World. In addition, the Commission will coordinate with state and local organizations to encourage the development of cultural, maritime, and entertainment events, which will enhance the Commission's official project roster, and complement the slate of programs already scheduled for the upcoming years. Many of these events will build on currently-existing Columbus-related activities, such as annual parades, festivals, and lectures.

On the domestic front, the U.S. Commission has been actively encouraging the governors of the states and territories to create state Quincentenary commissions to plan local and regional activities. During the meeting of the Commission in Dallas, Texas in May, 1989, the Commission invited the commissions of the south western states as well as from the cities of Dallas and Santa Fe, New Mexico, to make presentations on their plans for 1992. For FY90, the Commission plans to host a similar meeting of the commissions of northeastern states.

A list of State Quincentenary Commissions (SQC's), contact persons, and addresses has been periodically updated and prepared for public distribution. A draft plan of action approved by the Domestic Relations Committee at its meeting in Dallas was distributed to state Quincentenary commissions on June 5, 1989.

On June 21, Chairman Goudie corresponded to governors encouraging the formation of state Quincentenary commissions. This mailing included draft proclamations and bills, the revised draft plan of action, a list of current SQC's and an updated list of their contact persons and addresses. As a result, many states issued Quincentenary proclamations this year. To date, thirty-nine states have designated contact persons or established commissions for the Quincentenary.

On August 22, Chairman Goudie corresponded to mayors of the 250 largest cities encouraging the formation of City Quincentenary Commissions. This mailing also included a draft proclamation and bill, the revised draft plan of action, a list of current City Quincentenary Commissions and an updated list of their contact persons and addresses.

During 1989, the Columbus Quincentenary Commission participated in many international activities representing the United States. Commission representatives attended the VII Iberoamerican Conference of Quincentenary Commissions held in Guatemala City in July, 1989. The Conference, hosted by Guatemalan President Vinicio Cerezo and the Guatemalan Quincentenary Commission, attracted representatives from all Latin American countries, Spain, Italy, Israel, the Philippines, Japan and the United States. All delegations presented their plans and activities for the 1992 Quincentenary.

Also in 1989, the Chairman of the U.S. Commission met with Argentine President Menem and Mexican President Salinas de Gortari to discuss the possibility of cooperation between both countries' Quincentenary Commissions and the U.S. Commission. As a result of such meetings, representatives of the Argentinian and Mexican Commissions reciprocated with visits to Washington.

In September, the U.S. Commission convened the Second International Quincentenary Meeting in Washington held at the Department of State. Attended by representatives of Latin American, Caribbean and European countries, the meeting gave the U.S. Commission the opportunity to present its plans for the 1992 Quincentenary and to learn first-hand the activities being planned by other commissions abroad. The meeting concluded with a reception hosted by the Secretary of State.

In a similar way, the Commission is working closely with other federal agencies to encourage cooperation in planning activities for 1992. The National Endowment for the Arts and the National Endowment for the Humanities are both making special grants available for Quincentenary activities and the Library of Congress has created a special office for coordination as well as assisting the Commission an employee detail. The Smithsonian Institution has established its Quincentenary office and is planning exhibits and events for all of the Institution's museums. The Department of Commerce has provided invaluable support, from hosting the September, 1989 meeting of the Commission to promoting Quincentenary activities throughout the travel and tourism industry. The National Institutes of Health have created a Quincentenary Committee to plan a series of symposia, excellence awards in medicine research and exhibits on various medical issues. The Department of State and the United States Information Agency are both assisting the Commission in keeping U.S. Embassies and USIS personnel aware of the Quincentenary activities in the United States.

OFFICIAL QUINCENTENARY PROJECTS INITIATED IN 1989

During 1989, the Commission pursued a variety of projects, which are included below:

MAPS AND THE COLUMBIAN ENCOUNTER
Milwaukee, Wisconsin

This traveling exhibition presents the history of the Columbian encounter as it was expressed in contemporary maps from circa 1350 to circa 1700 started in 1989.

THE PAELLA CELEBRATION October 14, 1989
Miami, Florida

This is a festival presented by the Miami-Dade Community College featuring Hispanic cuisine, entertainment, and cultural events in an effort to increase awareness of Hispanic culture.

SANTA FE CHAMBER MUSIC FESTIVAL: Music of the Americas
Santa Fe, New Mexico

This is a six-year festival designed to present and promote music from Latin American countries. Each year leading up to 1993 will highlight the musical culture of a different Latin country, culminating in 1993 with a tour of the entire company of groups from the participating nations.

FLORIDA'S INTERNATIONAL MARITIME FESTIVAL
July 20-23, 1989, annually through 1992

An event which highlights the role of Florida's seafaring heritage, beginning with the first voyage of Columbus, and continuing through later Spanish and European exploration and settlement. The festival includes cultural and maritime exhibits, marine demonstrations, and an opportunity for seafarers and landlubbers alike to celebrate Florida's key role in the development of the culture of the New World.

COLUMBUS AND THE AGE OF DISCOVERY
BOSTON, MASSACHUSETTS

WGBH-TV Boston has begun shooting a sweeping documentary series of seven hour-long programs about Christopher Columbus, his voyage and his world, titled COLUMBUS AND THE AGE OF DISCOVERY. Produced on location in Europe, Africa, Asia, and the Americas, the series will capture the spirit of adventure and

(cont...)

discovery that inspired Columbus. It will chart the currents of cultural and intellectual thought in the 15th century and trace the profound legacies of the European discovery of America. The programs will be structured around the process of exploration and discovery, with a host who will tie together the multiple themes of Columbus' story. A great adventure and one of the core myths of Western civilization, the story of Columbus is compelling history - and compelling television.

NEW MUSIC AMERICA (December 2-11, 1988)
MIAMI, FLORIDA

This event is the largest presentation of new American music to occur in the United States and will involve over 100 composers working in the areas of opera, symphonic, jazz, electronic, computer, and mixed-media music. The Festival is currently being developed to reflect the unique and indigenous mix of cultures present in Florida. This will be the largest North/South American cultural exchange in our hemisphere to date.

LETRAS DE ORO
MIAMI, FLORIDA

Letras de Oro is an annual Spanish Literary Prize Competition coordinated by the University of Miami. The Commission has endorsed a special category prize for works on the Quincentenary concept to be included every year in the annual competition. This prize constitutes a solid link between the two major languages of the hemisphere, English and Spanish, acting as a diplomatic bridge to Latin America. It is a fitting match for the prestigious literary prizes awarded annually in Spanish speaking countries, mainly Spain, and draws national attention to the need to use the language elegantly, effectively and as a normal tool of communication.

INDIAN AGRICULTURE IN THE AMERICAS IN 1492
MADISON, WISCONSIN

This project, organized by the University of Wisconsin, consists of research and writing for a study of Indian agriculture in the Americas at the time of Columbus. It will focus on the form, distribution, ecology, productivity, and history of cultivation, particularly as represented by remnants of agricultural fields and associated landscape features.

IMPROVING ACCESS TO LIBRARY RESOURCES IN THE FIELD OF LATIN AMERICAN STUDIES
STANFORD, CALIFORNIA

The research libraries of: the University of California, Berkeley, University of Florida, Indiana University, Stanford University, University of Texas at Austin, and Yale University will cooperate to convert all their manual library catalog records (169,000) for materials in Latin American Studies to machine-readable form. These records will be entered either directly or via tape loading into the two major national databases, OCLC and RLIN, and all converted records will be distributed more broadly via a "snapshot" tape deposited with the Organization of American States.

ON THE RECORD: IBERO-AMERICAN HERITAGE IN THE UNITED STATES
NEW YORK STATE

The Board of Regents of the University of the State of New York (NY State Education Department) in conjunction with six other states, Spain and four Latin American nations, proposes to undertake a major research, planning and development effort to produce a comprehensive system-wide curriculum guide to integrate the study of Ibero-American culture and influence in the Americas into the education system.

HISTORIC XII TRAVELERS SCULPTURE PROJECT
EL PASO, TEXAS

Sculptor John Houser is building "a series of twelve historically integrated overlife-size monumental bronze sculpture groupings" portraying the characters and events contributing to the development of El Paso. To view the monuments, a walk extending from downtown El Paso to Onate Park, located next to the U.S. - Mexico border has been organized.

AVENTURA '92 (Fall, 1988; Fall, 1989)
MIAMI, FLORIDA
LOS ANGELES, CALIFORNIA

Nine high school students from the Miami, Florida area were among 400 young people from around the world who departed in the Fall of 1988 on Aventura '92, a journey that led them to Spain and throughout the Caribbean for a month-long study program based on the voyages of Columbus. The American students were selected by the U.S. Commission based on their scholastic aptitude, and their overall achievement records. Ten students from the Los Angeles area are scheduled to participate in the 1989 program which will follow the route of Columbus' third voyage. This is a joint project with the Spanish National Commission.

MUSEO NAVAL PROJECT
TUCSON, ARIZONA

The Arizona State Museum and the Museo Naval of Spain are working together to create "A Cooperative Project to preserve and Access the Archival Collections of the Museo Naval Through High Technology". The joint undertaking will capture images of the documents in digital form on laser disks to permit rapid access to the entire collection. The contents of the Museo's collection includes copies of manuscripts of Spanish government documents as well as original diaries and logs of exploration.

CHRISTOPHER COLUMBUS CENTER FOR MARINE RESEARCH AND DISCOVERY
BALTIMORE, MARYLAND

The City of Baltimore, the State of Maryland, the National Aquarium, Columbus 500/Baltimore, and area universities have joined forces to create an advanced center of marine-related research, education and exhibition. The centerpiece of the project will be the Center for Marine Biotechnology, the nation's leading marine biotechnology research institute. Scheduled to open in 1992, the Center will demonstrate the rich historical commemorations of the Quincentenary and will mark 1992 as a departure date for future explorations. The project will consist of research activities, post-graduate, graduate, and undergraduate educational programs, historical programs and exhibits focusing on marine and maritime life, and a conference center to host major national and international conferences.

1989 COLUMBUS WORLD CUP
BALTIMORE, MARYLAND

An international world class yachting competition to be held in Baltimore Harbor and the Northern Chesapeake Bay in October, 1989. The event will take place during Columbus Week in celebration of the Quincentenary. Organizers are drawing attention to the event through the involvement of Olympic and America's Cup sailors.

THE HISPANIC PRESENCE ON THE GREAT PLAINS (April, 1989)
LINCOLN, NEBRASKA

The Center for Great Plains Studies at the University of Nebraska-Lincoln hosted a conference entitled, "The Hispanic Presence on the Great Plains," on April 12-14, 1989. The conference brought together scholars from numerous disciplines to present research on the history and culture of people of Hispanic origin in the Great Plains region from the first Spanish arrival in the 1540's to the "colonias" of the 19th and early 20th centuries.

OFFICIAL QUINCENTENARY PROJECTS PLANNED FOR FISCAL YEAR 1990

The Commission has already endorsed various projects that will take place in FY 1990. These are as follows:

The Quincentenary will "go public" for the first time during the weeks preceding and following Columbus Day in October, 1989. By this we mean that programs and events will be implemented aimed at a large and general public as well as to the specific ethnic, historical, maritime and international constituencies who will have participated in preliminary planning events during previous years. Outreach programs will include direct solicitation of individual contributions in selected instances, but the main emphasis at this point will be in creating the awareness necessary to encourage a wide variety of individuals and organizations to participate in the Quincentenary as the observance intensifies during 1991 and 1992.

Even in public programs for which the Commission is not directly responsible, its role as a stimulator and facilitator of Quincentenary events will be critical during this year. For example, if any of the great holiday parades that traditionally open the New Year are to feature Quincentenary-related floats on January 1, 1992, their design must be well underway by the end of 1990. The Commission's coordinating and informational role can be expected to intensify both nationally and internationally, particularly as the number of other official Quincentenary planning bodies multiply on the state and local level.

In addition to the appropriated funds requested in the FY 1990 budget submission, the Commission expects to raise $2,000,000.00 during fiscal year 1990 for the support of its activities.

FIRST ENCOUNTERS
Gainsville, Florida

Spanish Explorations in the Caribbean and the United States opens on October 8, 1989. Planned by the Florida State Museum, this is a traveling exhibit which traces the initial attempts by Spain to explore and settle what is now the southeastern United States.

QUINCENTENARY MINUTES
To begin in the fall of 1990.

These "formula spots" will be similar to those that have aired on television in commemoration of the Bicentennials of the Revolution and Constitution. The spots will feature celebrated personalities discussing relevant facts of interest with regard to scientific, artistic, cultural, and political ideas that developed as a result of the voyages of Columbus.

REPLICAS OF THE COLUMBUS CARAVELS
Spring of 1991 through 1993

Reproductions of the original Nina, Pinta, and Santa Maria, will tour the United States and Caribbean, in a joint effort between the U.S. and Spanish Commissions. The arrival of the ships will mark the commencement of waterfront festivals in each port city, in addition to a number of other civic-based events. A cultural program, highlighting the contributions of Spain to the enrichment of U.S. culture, currently under development, will accompany the tour.

CONFERENCES

The Commission is planning to convene five international scholarly conferences, each focusing on one of the themes identified by the Commission in its Report to the Congress.

The Commission also plans to convene an international student conference on the Quincentenary, as well as a conference of specialists of American history to discuss methods of improving educational textbooks.

Baylor University in Texas has also offered to host, beginning in 1990, an annual conference which will bring physicians and scholars from around the world to discuss the development of diseases in the New World, and how the interaction between Europe and the Americas has influenced medicine, with regard to issues such as the current AIDS crisis.

FERIA DE LAS AMERICAS
San Antonio, TX

Los Compadres of the San Antonio Missions National Historical Park--October 14th and 15th through 1992

A three-day public festival consisting of musicians, jugglers, craftsmen, etc. commemorating the historic voyages of Columbus and the introduction of Hispanic culture into the New World.

IMAGES OF MAN
Ancient Art of the Americas--1990 through 1992

A traveling exhibit consisting of 120 artifacts from North, Central, and South America, representing a wide variety of cultures pre-dating 1492.

MOSAIC
The Jewish Experience in Florida--September 1990 through 1992

An exhibit consisting of photographs, artifacts, dioramas, and oral histories concentrating on four themes: immigration, institutional life, community relations, and Jewish Sephardic contributions to Florida. The perspective of the Sephardic Jewish population is significant to the Quincentenary, as that date also marks the five hundredth anniversary of the day the Jews were expelled from the Spanish realm.

MAST ACADEMY
DADE COUNTY, FLORIDA

The Mast Academy is a marine theme magnet high school located in Dade County, Florida designed to offer courses for college bound students and vocational students with a focus on science technology and maritime vocational subjects. The program is complete with academic and vocational courses, water-based athletics, community-linked extracurricular activities, summer programs, advisory committees and an educational foundation. The maritime aspects of the Quincentenial will be highlighted in the curriculum. Scheduled to open September, 1989, the school plans an enrollment of approximately 400 students in grades 9-12.

OFFICIAL QUINCENTENARY PROJECTS PLANNED FOR FISCAL YEAR 1991

The following activities have been endorsed for FY 1991:

ART OF THE AMERICAS
1991 and 1992

An exhibit of the art of the Americas, which would include folk artists from both North, Central, and South America. The project is an opportunity to recognize the art that developed as a result of the voyages of Columbus. This mobile exhibit will travel widely to local and regional community events during 1991 and 1992, with particular emphasis on the numerous locations whose names honor Columbus.

INTER-AMERICAN ESSAY AND POSTER CONTEST
WASHINGTON, DC

The Organization of American States will coordinate the Inter-American Quincentennial Essay Contest and the Inter-American Poster Contest. The essay contest will begin at the state level where superior essays will be forwarded to a national competition. The top essays will be considered as entries in an Inter-American contest. The five finalists will be awarded cash prizes and their essays will be published in the magazine, Americas. The poster contest will also be conducted at the national and inter-American levels. Three to six posters will be submitted by each participating National Commission. From this, 50 posters will be selected to form an exhibition which will first be presented by the OAS in Washington D.C. as part of the Pan American Week festivities and will then be reproduced to be included in travelling exhibits throughout the Americas.

NUOVA RACCOLTA COLUMBIANA
LOS ANGELES, CALIFORNIA

The Center for Medieval and Renaissance Studies at the University of California, Los Angeles plans to assemble, capture on computer, and publish modern English translations of all major 16th-century texts--diaries, reports, letters, diplomatic and administrative documents, and contemporary history and biography--related to the Discovery. This translation is also sponsored by the Italian National Quincentenary Commission and will be published together with the original-language texts, in a facing-page format and made available to major academic institutions.

GLORY AND UNIVERSALISM: SPAIN, PORTUGAL AND THE AMERICAS
(Fall, 1991)
WASHINGTON, DC

This international conference, to be held at the George Washington University, will bring together for the first time the majority of European and American scholars in the field of Hispanic culture. Open to the public, this global conference has a twofold mission: to encourage international communication and to foster familiarity with the rich legacy of Latin American civilizations. It will also feature an exhibition of Latin American paintings and sculpture from the seventeenth and eighteenth centuries.

ENGLISH TRANSLATION OF FERNANDEZ DE OVIEDO'S GENERAL AND NATURAL HISTORY OF THE INDIES
TUCSON, ARIZONA

The University of Arizona Press will publish Professor E. Daymond Turner, Jr's. English translation of Oviedo and Valdez's Historia General y Natural de las Indias. This set of books will provide English speaking peoples with an encyclopedic account of the Spanish conquest from 1492 to the late 1530's. It contains elaborate descriptions of the Spanish and Portuguese colonists as well as the newly discovered peoples, cultures, and land of the New World.

SOUVENIR PASSPORT PROGRAM
WESTPORT, CONNECTICUT

This project, organized by Ad Associates, consists of a fourteen-page passport, similar in size and scope to authentic U.S. Passports. Its contents will include an introductory statement and space for individualized information. Each consecutive page will describe an event of Columbus' life with an area left blank for collectable commemorative emblems. The emblems will be available to the passport owners on a monthly basis beginning August, 1991 and ending April, 1993.

FIRST ENCOUNTERS: SPANISH EXPLORATIONS IN THE CARIBBEAN AND THE UNITED STATES
GAINESVILLE, FLORIDA

The Florida State Museum has planned a major travelling exhibit which will trace the initial attempts by Spain to explore and settle what is now the southeastern U.S. The Spanish presence in "La Florida" (the continental U.S. south of Maryland and extending west to beyond the Mississippi River) will be presented in its cultural and historical contexts. The exhibit will also examine encounters with native groups as well as the consequence of these encounters.

CELEBRATING THE COLUMBUS QUINCENTENARY: WILDLIFE CONSERVATION IN THE AMERICAS
CENTER FOR ENVIRONMENTAL EDUCATION
WASHINGTON, DC

This project is designed to educate the public about the wildlife of the Americas and the increasing need to protect so many of these species from development and other pressures. The focus of the project will be a multi-lingual travelling exhibit of reproductions of text and pictorial records from Columbus' voyages and other early voyages. It will be supplemented with educational materials. The Center hopes that this project will encourage schools, as well as conservation, art, and civic organizations to organize related activities.

VOICES IN THE WIND
ATLANTA, GEORGIA

A program for PBS distribution, "Voices in the Wind" is a film by Georgia State University, whose intent is to foster a greater appreciation of Native Americans. The script is adapted from a number of Cherokee myths. The project Directors for the film are Gary Moss and George deGollian, both of whom are educational filmmakers with the University and who recently won an Oscar for another film that they produced. Executive Producer for the film is Dr. Clara Howell, Director of GSU's Office of Educational Media.

OFFICIAL QUINCENTENARY PROJECTS PLANNED FOR FISCAL YEAR 1992

GRAND REGATTA COLUMBUS '92 AND COLUMBUS WEEKEND REGATTA

This project will see the famous Tall Ships from all the nations of the world convene in the United States for a regatta and parade of sail on both the east and west coasts. The first will be held July 4, 1992, in New York Harbor, and the second will be held October 12, 1992, Columbus Day, in San Francisco. The parades of sail will be accompanied by a number of cultural exhibits, waterfront festivals, and televised entertainment specials. Fireworks displays, street parades, maritime conferences, and receptions to honor the visiting captains and cadets will be part of the salute to Columbus.

ETA	Harbor	ETD
11 April	Genoa	19 April
23 April	Lisbon	25 April
29 April	Cadiz	3 May
10 May	Canarias	12 May
10 June	San Juan	14 June
3 July	New York	7 July
11 July	Boston	16 July
12 August	Liverpool	16 August
TBD	San Francisco	TBD

PLEDGE OF ALLEGIANCE

A series of lectures on the significance of the Pledge and a major exhibit which will examine how the Pledge came to be written.

AMERIFLORA '92
Mid-April through Columbus Day weekend, 1992

Columbus, Ohio, hosts a Floral and Garden Exhibition assisted by the horticulture industry from around the world. Sanctioned by the Bureau of International Exhibitions (BIE), this event marks the first time such an exhibition of this stature will be held within the United States.

OPERA CRISTOFORO COLUMBO
Miami production, October 1991

A revival and American premiere produced by the Greater Miami Opera.

COLOPLEX 1992
Columbus, OH
October 9-12

Central to the exhibit of the Columbus Philatelic Club, Inc., is a stamp collection describing Columbus' voyage. Post Offices of various foreign countries have been invited to participate.

500 YEARS OF AMERICAN CLOTHING
ACADEMY FOR EDUCATIONAL DEVELOPMENT
New York

This project is designed to engage Americans from across the nation in a treasure hunt to find and document historic articles of American clothing. An exhibition will draw upon these findings will result.

NEW WORLD DESIGN FOR BISCAYNE BOULEVARD
ARTIST, ROBERTO BURLE MARX
MIAMI, FLORIDA

With the support of the City of Miami, artist Roberto Burle Marx plans to transform Miami's Biscayne Boulevard into a "living sculpture" extending the length of downtown Miami. The Boulevard will act as an agent that "unifies the diverse districts of downtown Miami. Broad walkways and medians inviting strolling, cafes, festival processions, and social gathering will transform the function of the Boulevard from a typical urban roadway into a multifunctional urban space. Marx also plans to establish a major plaza at this location.

MARINE ENVIRONMENTAL INFORMATION PACKET
CENTER FOR ENVIRONMENTAL EDUCATION
WASHINGTON, DC

The regatta of private yachtsmen and tall ships scheduled for New York and Boston in the Summer of 1992 provides an opportunity to reflect on the environmental transformation and to gather data on the present state of the oceans. This project informs the public of proper conservation practices, gathers scientific data, and increases public awareness of the marine environmental consequences of Columbus' voyages.

"SANTOS: THE HOUSEHOLD SAINTS OF PUERTO RICO"
NEW YORK, NEW YORK

Like the Greek word "icon," santos is a generic term in Spanish for any holy image for church or household use. The santos have been recognized as an authentic form of folk art and have been avidly collected for years. The exhibit will give visual interpretation of the sculptures made by self-taught "santeros" (santos makers) who demonstrate great versatility in their creation of form and size. Columbus left the mark of his conspicuously religious attitude by naming Caribbean islands after specific saints. The exhibit will honor Spanish settlers who, by populating the island first named San Juan Bautista and later Puerto Rico, are now an integral part of the social and cultural fabric of the United States. The exhibit is scheduled to travel throughout the United States in 1992.

MOSAICO ATLANTICO
PHILADELPHIA, PENNSYLVANIA

This organization is actively developing plans for the creation of an arts/education program revolving around the work of Peruvian artist, Francisco Espinoza. The project will involve six to eight mosaic demonstrations, which will take place in several metropolitan areas around the country. These will serve as workshops for the artists who will eventually assist Mr. Espinoza in the creation of a grand mosaic mural, to be divided and presented to several countries for display, in honor of the Quincentenary.

Fiscal Year 1991 Budget Policy

The requested appropriation of $214,000 is appropriate to continue the activities of the Commission planned for 1991. The Commission expects that substantial sums of funds will be raised from the private sector interested in supporting quincentennial programs. Accordingly, a long-range fundraising program has been developed in tandem with the development of the Commission's program. This plan includes the creation of an Advisory Council composed of prominent citizens whose responsibility will be to coordinate the fundraising program of the Commission. Likewise, the Commission is now reviewing proposals for licensing of the Commission's logo which is expected to produce substantial revenues to the Commission. The FY 1991 budget proposal treats the public funding of the Commission as "seed money," to be supplemented by private sector funds.

SUMMARY OF RESOURCES

APPROPRIATED FUNDS

	FY 1989 (actual)	FY 1990 (estimated)	FY 1991 (request)
Total obligations	214	215	217
Recovery of prior year obligations	-1	---	---
Unobligated balance, start of year	0	-1	-3
Transferred from other accounts	1	3	---
Budget authority (appropriation)	212	217	214

Relation: oblg. to outlays			
Obligations incurred, net	212	215	217
Obligated balance start year	11	16	17
Obligated balance end year	-16	-17	-18
Adjustments in unexpired acct.	-1	---	---
Outlays	206	216	216

BUDGET TABLES

OBJECT CLASSIFICATION OF OBLIGATIONS (in thousands)	FY 1989 (actual)	FY 1990 (est.)	FY 1991 (est.)
11.1 Personnel: Full-time permanent	123	178	180
12.1 Personnel benefits	28	37	37
21.0 Travel & transp. of persons	14	---	---
23.2 Rental payment to others	22	---	---
23.3 Communications, utilities & miscellaneous charges	10	---	---
24.0 Printing & reproduction	5	---	---
25.0 Other services	8	---	---
26.0 Supplies & materials	2	---	---
99.9 Total Obligations	212	215	217

Personnel Summary			
Total number of full-time positions	7	9	9
Total compensable workyears: Full-time equivalent employment	5	7	9

GIFTS AND DONATIONS

(in $000s)

		1989 (actual)	1990 (est.)	1991 (est.)
10.00	Total Obligations	1189	309	274
14.00	Offsetting collections from: non-federal sources	-1100	---	---
17.00	Recovery of Prior Year Oblg.	-3	---	---
21.40	Unoblg. balance available start of year	-5	-1	-247
	Unoblg. balance available end of year	1	247	---
60.00	Budget authority	82	555	29

Relation of obligations to outlays

		1989 (actual)	1990 (est.)	1991 (est.)
71.00	Obligations incurred, net	89	309	274
72.40	Obligated balance, start of year	20	8	---
74.40	Obligated balance, end of year	-8	---	---
77.00	Adjustments in expired accounts	-3	---	---
90.00	Outlays	98	317	274

OBJECT CLASSIFICATION

(in thousands)

	1989 (act.)	1990 (est.)	1991 (est.)
11.1 Personnel: Full-time permanent	---	82	100
12.1 Personnel benefits	---	23	30
21.0 Travel & transp. of persons	20	80	15
23.2 Rental payment to others	34	62	65
23.3 Communications, utilities & miscellaneous charges	11	25	25
24.0 Printing & reproduction	2	9	5
25.0 Other services	1,118	22	32
26.0 Supplies & materials	4	6	2
99.9 Total Obligations	1,189	309	274

Narrative Justification

The momentum established for the past years can be sustained with an appropriation of $214,000. This amount is expected to be augmented during FY 1991 from private sector contributions. Appropriated funds would be used to sustain core administrative expenses, with contributions used to meet costs of outreach activities and implementation costs of projects. A major source of private contributions during FY 1991 is expected to come from corporations and organizations whose participation will complement the Quincentenary activities in the United States, Italy, Spain, Portugal, the Caribbean, Japan and Latin America.

OPENING STATEMENT

Mr. SMITH. We welcome back John Goudie, who is Chairman of the Commission.

Mr. GOUDIE. Yes, Mr. Chairman, members of the subcommittee, today I am accompanied by the Director of the Commission, Raul De Quesada and Deputy Director Paco Martinez-Alvarez, and also the Director of Public Relations for the Commission, Jana Joustra.

It is an honor for me to appear before you again this year to ask for the appropriation of 1991 for $214,000. I am not going to read this year.

Mr. SMITH. All right. We will insert your statement in the record.

Mr. GOUDIE. We have submitted this report to Congress. Our major program that we are doing as of today is a program that we signed up between the Governments of Spain and the United States in September of this year, which is recreating the three replicas of Columbus ships, the Nina, the Pinta and the Santa Maria. Those three ships will tour, will come through Columbus' route in 1991, a year before the event, to create awareness of what is going to happen in 1992.

It is a joint project, like I said, between the Governments of Spain and the United States. The total budget is around $18 million, of which the three ships cost $6 million to build and equip, of which we have a sponsor by the name of Texaco that also in September joined us to the tune of $5 million, a million dollars a year, between now and 1992.

[The statement of Mr. Goudie follows:]

CHRISTOPHER
COLUMBUS
500
QUINCENTENARY
JUBILEE
COMMISSION

STATEMENT OF

THE HONORABLE JOHN N. GOUDIE

CHAIRMAN

CHRISTOPHER COLUMBUS QUINCENTENARY JUBILEE COMMISSION

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON COMMERCE, JUSTICE, STATE, THE JUDICIARY
AND RELATED AGENCIES

HOUSE OF REPRESENTATIVES

February 6, 1990

1801 F STREET NORTHWEST, WASHINGTON D.C. 20006
202-632-1992

Mr. Chairman, Members of the Subcommittee,

My name is John Goudie and I have the honor to serve as Chairman of the Christopher Columbus Quincentenary Jubilee Commission. Today, I come before you to present the Commission's 1991 budget request.

The Administration requests $214,000 for fiscal year 1991, as authorized by Public Law 98-375. Since its creation, the Commission received an initial appropriation of $220,000 for fiscal year 1984 but was not appropriated money for fiscal years 1985 and 1986. In FY87 the appropriation was $220,000. For FY88 and FY89 the appropriated amount was reduced to $212,000. and FY90 the appropriated amount was $217,000. The funds requested for 1991 will continue to sustain the administrative expenses of the Commission and provide seed money as we coordinate the activities for 1992. The Committee has been provided with the 1991 appropriation request that is consistent with the President's deficit reduction plan.

I would like to take this opportunity to provide a brief update on the accomplishments of the Commission in the past few years and an outline of our plans as we approach 1992.

During 1988, the Commission continued encouraging governors and mayors to designate commissions or other coordinating authorities to plan state and local quincentenary programs, and worked with each state commission as it was formed to assist in the development of its program. To date, thirty nine states have created state commissions or designated a state contact person to coordinate state-wide activities. The Commission works closely with these and all state commissions to ensure that a national program is carried out accordingly. I am happy to enclose a list of the State Quincentenary contacts for the record.

The Commission continues to encourage the submission of proposals for endorsement of Quincentenary projects. To date, fifty two (52) projects have been approved as Official Quincentenary Projects. These include exhibits, conferences, films and maritime events. I am happy to submit a list of our projects to be included for the record.

During FY 1988, the Commission created a Native American Advisory Committee, with the responsibilities of preparing recommendations on how the Commission should involve the Native American community and the many tribes in the United States. The Commission is working closely with New Mexico officials in organizing a major conference on the Quincentenary from the perspective of Native Americans. The conference will take place in Santa Fe on May 17, 1990.

Throughout 1988 and 1989, the Commission formally completed its plan for U.S. participation in the Grand Regatta Columbus '92, a cruise in company planned by a fleet of sail training vessels from Europe to America in the summer of 1992. The Commission selected the New York/New Jersey harbor as the site of the regatta for the July 4, 1992 parade and the City of Boston as the Official Outport of the regatta before their scheduled race back to Liverpool, England. The Commission also selected the City of San Francisco for a major parade of ships to be held on Columbus Weekend, 1992. The Commission will once again host the International Organizing Committee of the Regatta in May, 1990, this time, in Boston.

In September of 1989, the State Department hosted a reception where the Commission announced a joint project between the U.S. and Spanish Quincentenary Commissions, which involved the construction and sailing of historic replicas of Columbus' three ships. These recreations of the Nina, Pinta, and Santa Maria, have already been built in Spain and will sail from Spain in mid-1991 and tour over fifty ports throught the U.S., Caribbean, and Central America.

The total anticipated cost of construction, touring, and maintenance of these ships has been estimated at $18 million. This amount includes nearly $6 million to design and build the replicas. Texaco has become the U.S. Commission's founding sponsor, by recently donating $5 million to be paid at $1 million per year, to allow for the U.S. participation in this project.

For the second year, the Commission has coordinated U.S. participation in various international educational programs. Ten U.S. high school students joined 480 other students from Spain, Portugal, Latin America and the Caribbean, in a project called "Aventura '92." The students flew to Spain where they met with King Juan Carlos and Queen Sofia before boarding a ship that took them through the route of Columbus' third voyage to the Americas. On board, the students attended a series of lectures and conferences on the history, geography, archeology and folklore of the Americas and had an opportunity to tour the sites relevant to Columbus' voyage.

Also, in cooperation with the National Italian American Foundation, the Commission co-sponsored a second annual conference called "Columbus 1992": A Celebration for All Americans" which examined how the Quincentenary is viewed from various perspectives including business, academia, media and the diplomatic community. The Commission works closely with Congressman Frank Guarini, Chairman of NIAF's Quincentenary effort.

Likewise, in cooperation with the Bahamas Quincentennial Commission, the U.S. Commission co-sponsored a conference in Nassau entitled "The Quincentennial from the Perspective of Black Interests." The conference brought together scholars and business people to discuss how the Quincentennial can be an opportunity to strengthen our cultural heritage and bilateral international relations.

In looking to the future and space, the Commission continues preparations for the Columbus Space Sail Cup, which will involve a competition among aerospace engineering students around the world for the design, construction and launch of three solar-powered space-sail ships. Already, design applications have been received from several students all over the U.S., as well as France, and the Soviet Union. These vessels, packed in the payload of a space shuttle, will traverse the solar system and expand our knowledge of what lies beyond the bounds of our planet. They will be called, of course, The Nina, Pinta and Santa Maria.

To date, thirty one quincentenary commissions world-wide have been created. Every country in Latin America and the Caribbean has an active Quincentenary body coordinating activities in their respective countries. Besides Italy, Spain and Portugal, Israel has also created a commission headed by former President Navon and concentrating on the 500th observance of the expulsion of the Jews from Spain. Japan has also formed the Japanese Commission for the Quincentennial capitalizing on the theme of "completing Columbus' dream of arriving in "Cipango" (Japan) and using the commemoration for bettering trade relations with Latin America, the Caribbean, and with the European community.

The Commission has also endorsed one of the largest international events in the United States taking place in 1992. AmeriFlora '92, an International Floral and Garden Exposition to be held in Columbus, Ohio, will permit foreign countries to set up their pavilions and showcase their agricultural and horticultural advances and is estimated to attract millions of visitors in 1992. Ground breaking for AmeriFlora '92 took place in April, 1989.

1992 is an important year. The Commission plans to continue taking advantage of the growing national and international interest in the Quincentenary to strengthen relations abroad.

The members also plan to steadily widen the circle of contacts among interested international, civic, fraternal, professional, and cultural organizations. This plan will allow the Commission to pursue its goals while building towards the needs of publicizing widely in 1990 the program which the Commission adopted and presented to the Congress during 1987. The Commission plans to publish a new Report to Congress in 1990.

The members of the Commission and I believe that the United States has much to gain from the Quincentenary, both domestically and internationally. As we approach 1992, we not only look back to the rich and diversified cultural history of this nation, we also look forward with the same boldness exhibited by Columbus and his crew.

Thank you Mr. Chairman for the opportunity to appear before you today.

Mr. SMITH. When you say replicas, they are smaller, aren't they?

Mr. GOUDIE. No. They are exactly the same size.

Mr. SMITH. And you built three of them?

Mr. GOUDIE. The three actual ships of Columbus' first trip.

Mr. SMITH. All three of them for $6 million?

Mr. GOUDIE. $6 million, sir.

Mr. SMITH. Is that right?

Mr. GOUDIE. They are not as big as anybody can really imagine. I had the opportunity—they are already in the water. They have been christened in Spain as of October. I was there for the last christening. They are being equipped right now to start——

Mr. ALEXANDER. What is the length of the ships?

Mr. GOUDIE. The biggest one is 90 feet. It is really fascinating to watch them and it will be a great historical event for kids and everybody when the ships come to 50 ports in America, to really come through those ships and actually see how small these ships were and these people coming on these ships for such a long voyage not knowing it was hurricane season and the different things——

Mr. ALEXANDER. Who built them?

Mr. GOUDIE. The Government of Spain built them in three shipyards, one in Barcelona. The other one is in Cartagena, and the other one is in Huelva.

That is going to be probably the main focus event, because they are going, like I said before, to 50 ports throughout the United States.

Mr. SMITH. What is the draw down on those ships, the draft?

Mr. GOUDIE. There is going—I think, if I remember correctly, there is about eight feet.

Mr. SMITH. Oh, is that right? Well, they can come up the Potomac, can't they?

Mr. GOUDIE. Yes, they can. I don't know if we brought the actual itinerary of the ports that we are discussing: Washington, New York, Miami, New Orleans, Houston, and the West Coast. They are going to be in L.A. and San Francisco. We are going to have them tour as many cities as we can in the United States, also in Central and South America and in the Caribbean.

Mr. ALEXANDER. You need any crew?

Mr. GOUDIE. Sure. In fact, we are talking to the Navy and the Coast Guard right now to see if we can have cadets to man the ships, with the Spanish Government, because it is a joint project, so we are going to need a lot of crew. That is going to give a lot of visibility to what we are going to be doing around 1992.

In each of these ports, there is going to be a number of cultural and educational events coinciding with them to give awareness of what really transpired and what really took off afterwards. One of the programs that we are implementing, which we mentioned last year, is the Columbus Scholar Program, which this year we hope to have a pilot program.

It has not been brought out yet to bring to Congress, because it is going to be our living legacy, hopefully be left in after 1992, and it will put about 500 high school students together in a summer program from there. We will select—or the group or committee that is going to handle that program will pick 100—excuse me—25 percent to 30 percent of those children to have a four-year scholarship. The kids have to excel, in order to be picked for the summer program, in geography, history, science and languages.

After that, the one that best exemplifies Columbus' spirit on the entrepreneurial ship, Discovery, so forth and so on, will get the scholarship, and that is our hopefully major program that will come out of the three ships and the monies that we are going to raise between now and 1992.

Mr. SMITH. Are you involved with the Seville World's Fair in any way?

Mr. GOUDIE. Well, we are to the extent that we have endorsed it, Mr. Chairman. We have helped the USIA pavilion or Marvin Stone; we have had a number of discussions with them, and we have been involved with Manuel Olivencia, the Commissioner General of the Seville World's Fair. In fact, he was just in our meeting in January explaining what—how far we have gotten along with the Seville World's Fair.

Mr. SMITH. You haven't gotten involved financially?

Mr. GOUDIE. No. We are going to be involved with our exhibition, and which happens in Columbus, Ohio, which is a floral and horticulture exposition second to none in the United States, never seen before, that will start—end October 12, 1992.

Mr. SMITH. Please provide in detail, if you haven't done so in your statement, the fund raising activities you have had, and similar activities like that.

Mr. GOUDIE. Well, we are right now, like I mentioned before, we brought Texaco onboard for a particular project, which is the——

Mr. SMITH. No, I mean provide that for the record.

Mr. GOUDIE. Yes, we will.

[The information follows:]

CHRISTOPHER
COLUMBUS
QUINCENTENARY
JUBILEE
COMMISSION

COMMISSION PROJECTS

AND

OFFICIAL QUINCENTENARY PROJECTS

PROJECTS COORDINATED BY THE COMMISSION

Columbus Scholars

As a lasting memorial to Columbus and his achievements and to the spirit of learning and daring with which his name is associated, the Commission is planning the creation of a new scholarship program, which will be permanently endowed well after 1992. The program includes the New World Summer where 500 students from around the world will be invited to attend a series of academic activities and from which a pool of alumni will be created to select grantees of a major scholarship program. The areas of history, science, languages and international relations will be emphasized. The Commission has created an Advisory Committee composed of educational experts in various fields of study which will oversee the implementation of the program.

Replicas of the Columbus Caravels

Perhaps the most visible project of the Quincentenary will be the replica caravels, reproductions of the original Nina, Pinta, and Santa Maria, that will be constructed to tour the United States and Caribbean from the fall of 1991 through 1993.

Designed and built using plans secured from Mr. Jose Martinez-Hidalgo, a Spanish historian considered to be the foremost authority on Columbus' ships, the caravels will travel extensively, providing the American people with a firsthand opportunity to experience the thrill of exploration.

Grand Regatta Columbus '92 and Columbus Weekend Regatta

New York and Boston will serve as the host cities for the Grand Regatta Columbus '92, in the Summer of 1992. The regatta of the celebrated Tall Ships will begin in Genoa, Italy, Lisbon, Portugal and Cadiz, Spain, from where they will race to San Juan, Puerto Rico and then on to New York for the July 4, 1992 weekend. Before returning to Europe, the ships are scheduled to stop in Boston, designated as the Outport City for the Regatta. Led by the replica caravels into New York and Boston, the ships will kickoff a series of exhibitions and special events scheduled for 1992.

For Columbus weekend 1992, the City of San Francisco has been designated by the Commission as the host for the West Coast Tall Ships parade. As the main event scheduled for October 12, 1992, the Commission will be planning a variety of cultural activities to coincide with the actual 500th anniversary of the landing of Columbus. Fireworks displays, street parades, maritime conferences, and receptions to honor the visiting captains and cadets will also be part of both the East and West coast salute to Columbus.

Conferences

The Commission is planning to convene five international scholarly conferences, each focusing on one of the themes identified by the Commission in its Report to the Congress:

> Columbus: The Man and the Visionary; an in depth study of Columbus as a man, his life and his influence.
>
> Our Old World Heritage; the European and African influence in the Americas, and how, more recently, Asian immigration has contributed to the heritage of the United States.
>
> Our New World Heritage, an examination of the many cultures of the native inhabitants of the New World which contributed so much to the development of the Hemisphere.
>
> The American Alternatives: The New World's Contribution to the Old; the contributions of U.S. republican and democratic government to the rest of the world.
>
> The Future: New Worlds Then and Now; Space as the next frontier of exploration which lends itself well to the courage, vision and energy of Columbus himself.

The Commission also plans to convene an international student conference on the Quincentenary as well as a conference of specialists of American history and culture to discuss the procedures for the improvement of educational textbooks in the light of new historical and anthropological knowledge.

The theme of the landfall of Columbus has generated considerable interest in recent years after the publication by The National Geographic Magazine of an article defining a new route taken by Columbus. The Commission intends to conduct a series of lectures on the issue of Columbus' landfall.

Bibliographies

The Commission plans to create a survey of the historical literature now available on the age of discovery as well as a specialized bibliography of materials relating to the Quincentenary housed in the Library of Congress. The Commission also intends to create a calendar of primary materials available in the United States on the historical era of discovery and initial European/American contacts.

The Arts

The Commission is planning a major exhibit of the art of the Americas which would include folk artists from both North, Central and South America as an opportunity to recognize the art that developed as a result of the voyages of Columbus.

The Commission is sponsoring a major mobile exhibit which will travel widely to local and regional community events during 1991 and 1992 with particular emphasis on the numerous American communities and urban locations whose names honor Columbus. The theme of the exhibit will be Columbus as a symbol in American cultural life and should answer questions such as "What is it about Columbus that makes him a national hero?", "Where does Columbia, the goddess, come from?" and "How does America view Columbus today?"

The Columbus Door, at the central portico of the east front of the U.S. Capitol, which illustrates the life of Columbus in bronze relief, will be the focal point of a ceremony whereby the doors will be symbolically closed on October 12, 1991 and rededicated a year later. The ceremonial closing and reopening affords the opportunity for television coverage, Congressional participation and facilitates the mounting of interpretative programs on Columbus' life. The Commission, with the assistance of a major air carrier, intends to invite each Congressional district to send a student delegation to Washington during 1991 and 1992 to attend weekly events at The Columbus Door.

Pledge of Allegiance

1992 will also commemorate the centennial of the Pledge of Allegiance which was written by Francis Bellamy in honor of the IV Centennial of the voyages of Columbus. The Commission intends to coordinate a series of lectures on the significance of the Pledge and mount a major exhibit which will examine how the Pledge came to be written. The Commission hopes to include in the exhibit the original script of the Pledge now in the possession of the University of Rochester.

The Commission will also plan the reenactment of the 1892 National School Celebration which took place then to honor Columbus and the Flag.

OFFICIAL QUINCENTENARY PROJECTS

The following projects have been endorsed by the Columbus Quincentenary Commission as "Official Quincentenary Projects."

AMERIFLORA '92 (Summer, 1992)
COLUMBUS, OHIO

Columbus, Ohio, will host the first International Floral and Garden Exhibition to be held in the United States. This event is sanctioned by the Bureau of International Expositions and will consist of outdoor and indoor exhibits by the horticultural industry from around the world. Exhibition planners are scheduling AmeriFlora '92 in coordination with the national observance and will hold the event from mid-April through the Columbus Day weekend, 1992. The Commission recognized AmeriFlora '92 as a major focal event of the Quincentenary in the Commission's Report to Congress.

Contact: Dr. John C. Peterson (614) 457-9292

OPERA CRISTOFORO COLOMBO (1991)
MIAMI, FLORIDA

The Greater Miami Opera will produce the revival and American premiere of the opera CRISTOFORO COLOMBO by Alberto Franchetti originally commissioned for the 400th anniversary celebration by the city of Genoa. Negotiations are underway to produce this opera in Columbus, Ohio, Philadelphia, Barcelona, Madrid and Genoa. The Miami production will take place in October, 1991.

Contact: Mr. William Conners (305) 854-1643

COLUMBUS AND THE AGE OF DISCOVERY
BOSTON, MASSACHUSETTS

WGBH-TV Boston has begun shooting a sweeping documentary series of seven hour-long programs about Christopher Columbus, his voyage and his world, titled COLUMBUS AND THE AGE OF DISCOVERY. Produced on location in Europe, Africa, Asia, and the Americas, the series will capture the spirit of adventure and discovery that inspired Columbus. It will chart the currents of cultural and intellectual thought in the 15th century and trace the profound legacies of the European discovery of America. The programs will be structured around the process of exploration and discovery, with a host who will tie together the multiple themes of Columbus' story. A great adventure and one of the core myths of Western civilization, the story of Columbus is compelling history - and compelling television.

Contact: Mr. Zvi Dor-Ner, (617) 492-2777 ext. 4370

CONFERENCE ON ARCHIVES AND RECORDS FOR STUDYING THE HISPANIC EXPERIENCE IN THE UNITED STATES, 1492-1850
(September 22-25, 1987) LIBRARY OF CONGRESS
WASHINGTON, DC

Sponsored by the American Historical Association, the Library of Congress and the National Endowment for the Humanities, the archives and records conference served as a forum to discuss what steps to take following the completion of the ongoing Library of Congress census. The Conference addressed three major concerns: (1) the current deficiencies in U.S. Hispanic archival records; (2) the advantages and disadvantages of using microfilm and videodisc as means of reproducing and maintaining archival material; (3) and the logistical and legal barriers to reproducing foreign archival material and the need for a unified cataloging system to identify privately-held material in the U.S.

Contact: Mr. James Gardner (202) 544-2422

NEW MUSIC AMERICA (December 2-11, 1988)
MIAMI, FLORIDA

This event is the largest presentation of new American music to occur in the United States and will involve over 100 composers working in the areas of opera, symphonic, jazz, electronic, computer, and mixed-media music. The Festival is currently being developed to reflect the unique and indigenous mix of cultures present in Florida. This will be the largest North/South American cultural exchange in our hemisphere to date.

Contact: Mr. Joseph Celli (305) 347-3768

INTER-AMERICAN ESSAY AND POSTER CONTEST
WASHINGTON, DC

The Organization of American States will coordinate the Inter-American Quincentennial Essay Contest and the Inter-American Poster Contest. The essay contest will begin at the state level where superior essays will be forwarded to a national competion. The top essays will be considered as entries in an Inter-American contest. The five finalists will be awarded cash prizes and their essays will be published in the magazine, Americas. The poster contest will also be conducted at the national and inter-American levels. Three to six posters will be submitted by each participating National Commission. From this, 50 posters will be selected to form an exhibition which will first be presented by the OAS in Washington D.C. as part of the Pan American Week festivities and will then be reproduced to be included in travelling exhibits throughout the Americas.

Contact: Dr. James Patrick Kiernan (202) 458-3908

NUOVA RACCOLTA COLUMBIANA
LOS ANGELES, CALIFORNIA

The Center for Medieval and Renaissance Studies at the University of California, Los Angeles plans to assemble, capture on computer, and publish modern English translations of all major 16th-century texts--diaries, reports, letters, diplomatic and administrative documents, and contemporary history and biography--related to the Discovery. This translation is also sponsored by the Italian National Quincentenary Commission and will be published together with the original-language texts, in a facing-page format and made available to major academic institutions.

Contact: Mr. Michael Allen (213) 825-1880

LETRAS DE ORO
MIAMI, FLORIDA

Letras de Oro is an annual Spanish Literary Prize Competition coordinated by the University of Miami. The Commission has endorsed a special category prize for works on the Quincentenary concept to be included every year in the annual competition. This prize constitutes a solid link between the two major languages of the hemisphere, English and Spanish, acting as a diplomatic bridge to Latin America. It is a fitting match for the prestigious literary prizes awarded annually in Spanish speaking countries, mainly Spain, and draws national attention to the need to use the language elegantly, effectively and as a normal tool of communication.

Contact: Ambassador Ambler H. Moss (305) 284-4303

INDIAN AGRICULTURE IN THE AMERICAS IN 1492
MADISON, WISCONSIN

This project, organized by the University of Wisconsin, consists of research and writing for a study of Indian agriculture in the Americas at the time of Columbus. It will focus on the form, distribution, ecology, productivity, and history of cultivation, particularly as represented by remnants of agricultural fields and associated landscape features.

Contact: Professor William M. Denevan (608) 262-1954

IMPROVING ACCESS TO LIBRARY RESOURCES IN THE FIELD OF LATIN AMERICAN STUDIES
STANFORD, CALIFORNIA

The research libraries of: the University of California, Berkeley, University of Florida, Indiana University, Stanford University, University of Texas at Austin, and Yale University will cooperate to convert all their manual library catalog records (169,000) for materials in Latin American Studies to machine-readable form. These records will be entered either directly or via tape loading into the two major national databases, OCLC and RLIN, and all converted records will be distributed more broadly via a "snapshot" tape deposited with the Organization of American States.

Contact: Mr. David C. Weber (415) 723-2015

ON THE RECORD: IBERO-AMERICAN HERITAGE IN THE UNITED STATES
NEW YORK STATE

The Board of Regents of the University of the State of New York (NY State Education Department) in conjunction with six other states, Spain and four Latin American nations, proposes to undertake a major research, planning and development effort to produce a comprehensive system-wide curriculum guide to integrate the study of Ibero-American culture and influence in the Americas into the education system.

Contact: Dr. Robert J. Maurer (518) 474-5836

MAPS AND THE COLUMBIAN ENCOUNTER
MILWAUKEE, WISCONSIN

Coordinated by the University of Wisconsin-Milwaukee, and partially funded by the National Endowment for the Humanities, this project includes research, design, and logistical planning for a major exhibition presenting the history of the Columbian encounter as it was expressed in contemporary maps from circa 1350 to circa 1620. Planned to take place between 1989 and 1992, the exhibition of original maps will travel to each of the contributing libraries (the University of Wisconsin-Milwaukee, the Newberry Library in Chicago, the James Ford Bell Library at the University of Minnesota, and the William L. Clements Library at the University of Michigan). A full size facsimile of the original exhibit will travel throughout the Midwest and is available nationally.

Contact: Mr. Mark Warhus (414) 229-4101

GLORY AND UNIVERSALISM: SPAIN, PORTUGAL AND THE AMERICAS
(Fall, 1991)
WASHINGTON, DC

This international conference, to be held at the George Washington University, will bring together for the first time the majority of European and American scholars in the field of Hispanic culture. Open to the public, this global conference has a twofold mission: to encourage international communication and to foster familiarity with the rich legacy of Latin American civilizations. It will also feature an exhibition of Latin American paintings and sculpture from the seventeenth and eighteenth centuries.

Contact: Dr. Barbara von Barghahn (202) 994-8653

THE PAELLA CELEBRATION
(Annually from 1988 to 1992)
MIAMI, FLORIDA

A festival presented by the Miami-Dade Community College at the Wolfson Campus features Hispanic cuisine, entertainment, and cultural events. The organizers expect to increase appreciation and awareness of Hispanic culture throughout the Miami-Dade community and will promote the activities of the Quincentenary by providing literature and an exhibit tracing the voyages of Columbus and his landing in the New World.

Contact: Dr. Kathie Sigler (305) 347-3205

ENGLISH TRANSLATION OF FERNANDEZ DE OVIEDO'S
GENERAL AND NATURAL HISTORY OF THE INDIES
TUCSON, ARIZONA

The University of Arizona Press will publish Professor E. Daymond Turner, Jr's. English translation of Oviedo and Valdez's Historia General y Natural de las Indias. This set of books will provide English speaking peoples with an encyclopedic account of the Spanish conquest from 1492 to the late 1530's. It contains elaborate descriptions of the Spanish and Portuguese colonists as well as the newly discovered peoples, cultures, and land of the New World.

Contact: Mr. Gregory McNamee (602) 621-1441

THE SMITHSONIAN QUINCENTENARY PROGRAMS
WASHINGTON, DC

The Smithsonian Institution has planned a series of multidisciplinary programs to explore the significance of the voyages of Columbus. Fourteen Smithsonian bureaus and offices have organized programs:

The Cooper-Hewitt Museum is planning an exhibition exploring the impact of American Indian arts on the architecture and design of western Europe and the United States.

The Hirshhorn Museum and Sculpture Garden plans to mount an exhibit of 20th-century art featuring artists from throughout the Western Hemisphere.

The National Air and Space Museum plans to publish an atlas of the world, using a variety of satellite images and pictures, and an associated user's guide aimed at a lay audience, to illustrate the advances of geographic knowledge over the past 500 years, and in particular the past 25 years of space exploration.

The National Museum of American Art has developed an exhibition entitled "The Promised Land: Images of Westward Expansion" that will display images used to promote and chronicle the expansion into the trans-Mississippi West during the mid and late 19th century.

The National Museum of American History will explore the 17th and early 18th century contacts between European and indigenous populations through a permanent exhibit and five temporary exhibits, accompanied by annual symposia and publications. In addition, a series of public programs that began in September, 1987, will trace the evolution and diversity of Hispanic culture in the United States.

The National Museum of Natural History is planning a major exhibition, yearly symposia, educational programs, and publications around the theme "Seeds of Change," the exchange of plants, animals, and diseases between the Old and New Worlds.

The National Portrait Gallery is developing an exhibition centering on the 16th century reign of Philip II, that will include portrait treasures of Spain, to foster an understanding of the culture that set into motion the voyages of 1492.

The Office of Elementary and Secondary Education will develop a multi-cultural, bilingual education packet that teaches pre-schoolers about the peoples of Latin American and the United States.

The Office of Folklife Programs will examine the contemporary character and historical roots of New World encounters through a series of symposia focusing on specific crops in the development of ecological, economic, social, and cultural systems in the Americas. The end result will be a "living museum" exhibition in 1991-1992.

The Office of Interdisciplinary Studies is developing a public symposium entitled "Exploring the Unknown" that will examine biological and cultural diversity in the Americas in the next 500 years.

The Office of Telecommunications will develop a series of ten one-hour television programs, written and hosted by Mexican author Carlos Fuentes and entitled "The Buried Mirror," exploring the culture and history of Latin America in order to contribute to an understanding of the present.

The Smithsonian Institution Press will cooperate with other Bureaus to develop a series of scholarly publications focusing on the Quincentenary themes.

The Smithsonian Institution Traveling Exhibition Service (SITES) will produce a traveling version of the exhibition "Tropical Rainforests: A Disappearing Treasure," for Latin America looking at the crucial environmental issue of deforestation of tropical areas worldwide. The iconography of Christopher Columbus and how his name and image have been used throughout the Americas will also be the subject of a Quincentenary exhibit.

The Smithsonian Quincentenary Program is sponsoring the scholarly forum, "Musical Repercussions of 1492," examining the musical encounter of two worlds. A two-day scholarly symposium and a one-day public forum entitled "Violence and Resistance in the Americas: The Legacy of Conquest," co-sponsored by the University of Maryland, will examine the colonial invasion, and the cultural and military resistance by indigenous populations.

Contact: Quincentennial Coordinator for the Smithsonian:
Alicia Gonzalez (202) 357-4281

IMAGES OF MAN: ANCIENT ART OF THE AMERICAS
WASHINGTON, DC

The National Association of Private Art Foundations has planned a travelling exhibit in connection with the Columbus Quincentenary consisting of approximately 120 objects from North, Central and South America representing a wide variety of cultures pre-dating 1492. The exhibit is scheduled to open in early 1990 and continue through 1992 travelling throughout the United States and abroad.

Contact: William H. Kenety (202) 965-4150

HISTORIC XII TRAVELERS SCULPTURE PROJECT
EL PASO, TEXAS

Sculptor John Houser is building "a series of twelve historically integrated overlife-size monumental bronze sculpture groupings" portraying the characters and events contributing to the development of El Paso. To view the monuments, a walk extending from downtown El Paso to Onate Park, located next to the U.S. - Mexico border has been organized.

Contact: John Sherrill Houser (915) 534-4493

MAST ACADEMY
DADE COUNTY, FLORIDA

The Mast Academy is a marine theme magnet high school located in Dade County, Florida designed to offer courses for college bound students and vocational students with a focus on science technology and maritime vocational subjects. The program is complete with academic and vocational courses, water-based athletics, community-linked extracurricular activities, summer programs, advisory committees and an educational foundation. The maritime aspects of the Quincentenial will be highlighted in the curriculum. Scheduled to open September, 1989, the school plans an enrollment of approximately 400 students in grades 9-12.

Contact: Ms. Linda J. Eads (305) 376-1922

COLOPLEX 1992 (October 9-12, 1992)
COLUMBUS, OHIO

The 1992 annual exhibit of the Columbus Philatelic Club, Inc. will use the Quincentenary as its theme. Central to its composition will be a Columbian Court of Honor containing several exhibits highlighting this theme, including 1892-93 Columbian stamps. and postage stamps which tell the story of Columbus' voyage. The Post Offices of Spain, Italy, and various Caribbean countries have been invited to participate in the exhibit.

Contact: Diana Manchester (614) 457-1150

SOUVENIR PASSPORT PROGRAM
WESTPORT, CONNECTICUT

This project, organized by Ad Associates, consists of a fourteen-page passport, similar in size and scope to authentic U.S. Passports. Its contents will include an introductory statement and space for individualized information. Each consecutive page will describe an event of Columbus' life with an area left blank for collectable commemorative emblems. The emblems will be available to the passport owners on a monthly basis beginning August, 1991 and ending April, 1993.

Contact: Stephen J. Woodhouse (203) 454-4794

AVENTURA '92 (Fall, 1988; Fall, 1989)
MIAMI, FLORIDA
LOS ANGELES, CALIFORNIA

Nine high school students from the Miami, Florida area were among 400 young people from around the world who departed in the Fall of 1988 on Aventura '92, a journey that led them to Spain and throughout the Caribbean for a month-long study program based on the voyages of Columbus. The American students were selected by the U.S. Commission based on their scholastic aptitude, and their overall achievement records. Ten students from the Los Angeles area are scheduled to participate in the 1989 program which will follow the route of Columbus' third voyage. This is a joint project with the Spanish National Commission.

Contact: U.S. Commission (202) 632-1992

MUSEO NAVAL PROJECT
TUCSON, ARIZONA

The Arizona State Museum and the Museo Naval of Spain are working together to create "A Cooperative Project to preserve and Access the Archival Collections of the Museo Naval Through High Technology". The joint undertaking will capture images of the documents in digital form on laser disks to permit rapid access to the entire collection. The contents of the Museo's collection includes copies of manuscripts of Spanish government documents as well as original diaries and logs of exploration.

Contact: Raymond H. Thompson (6020 621-6281

MOSAIC: THE JEWISH EXPERIENCE IN FLORIDA (1990-1992)
MIAMI, FLORIDA

In a coordinated effort, the Central Agency for Jewish Education, the Samuel and Helene Soref Jewish Community Center, Perlman Campus and the University of Miami, Judaic Studies Program, are organizing a travelling exhibit entitled, "Mosaic: Jewish Experience in Florida." The exhibit has been designed to examine four themes: immigration, institutional life, community relations, and Jewish Sephardic contributions to Florida. The exhibit will consist of photographs, artifacts, dioramas and oral histories, and will travel to Spain and Israel in 1993.

Contact: Henry Green (305) 284-4375

FIRST ENCOUNTERS: SPANISH EXPLORATIONS IN THE CARIBBEAN AND THE UNITED STATES
GAINESVILLE, FLORIDA

The Florida State Museum has planned a major travelling exhibit which will trace the initial attempts by Spain to explore and settle what is now the southeastern U.S. The Spanish presence in "La Florida" (the continental U.S. south of Maryland and extending west to beyond the Mississippi River) will be presented in its cultural and historical contexts. The exhibit will also examine encounters with native groups as well as the consequence of these encounters.

Contact: Dr. Susan Milbrath (904) 392-1721

500 YEARS OF AMERICAN CLOTHING
ACADEMY FOR EDUCATIONAL DEVELOPMENT
NEW YORK, NEW YORK

This project developed by the Academy for Educational Development, the Brooklyn Museum, and the President's Committee on the Arts and the Humanities, is designed to engage Americans of all ages from across the nation in a treasure hunt to find and document historic articles of American clothing. A series of exhibitions of American clothing will draw upon these findings as well as those already in public collections. Discussions are underway to tour the exhibit to Europe and Japan.

Contact: Lee Hall (212) 243-1110

FERIA DE LAS AMERICAS
LOS COMPADRES OF THE SAN ANTONIO MISSIONS NATIONAL HISTORICAL PARK
SAN ANTONIO, TEXAS

"Feria de las Americas", is an annual three day public festival commemorating the historic and heroic voyages of Christopher Columbus and the introduction of Hispanic culture into the New World. The Feria will consist of musicians, dancers, jugglers, craftsmen etc. An Italian bazaar of hand-painted food booths and the castle of King Ferdinand and Queen Isabela will dominate the scene. Each year through 1992, one of the Spanish missions represented in the Park will be showcased to honor the role of the missionaries in the nation's cultural evolution.

Contact: Susan Chandoha (512) 922-3218

CELEBRATING THE COLUMBUS QUINCENTENARY: WILDLIFE CONSERVATION IN THE AMERICAS
CENTER FOR ENVIRONMENTAL EDUCATION
WASHINGTON, DC

This project is designed to educate the public about the wildlife of the Americas and the increasing need to protect so many of these species from development and other pressures. The focus of the project will be a multi-lingual travelling exhibit of reproductions of text and pictorial records from Columbus' voyages and other early voyages. It will be supplemented with educational materials. The Center hopes that this project will encourage schools, as well as conservation, art, and civic organizations to organize related activities.

Contact: Amie Brautigam (202) 872-0619

NEW WORLD DESIGN FOR BISCAYNE BOULEVARD
ARTIST, ROBERTO BURLE MARX
MIAMI, FLORIDA

With the support of the City of Miami, artist Roberto Burle Marx plans to transform Miami's Biscayne Boulevard into a "living sculpture" extending the length of downtown Miami. The Boulevard will act as an agent that "unifies the diverse districts of downtown Miami. Broad walkways and medians inviting strolling, cafes, festival processions, and social gathering will transform the function of the Boulevard from a typical urban roadway into a multifunctional urban space. Marx also plans to establish a major plaza at this location.

Contact: Sergio Rodriguez (305) 579-6040

MARINE ENVIRONMENTAL INFORMATION PACKET
CENTER FOR ENVIRONMENTAL EDUCATION
WASHINGTON, DC

The regatta of private yachtsmen and tall ships scheduled for New York and Boston in the Summer of 1992 provides an opportunity to reflect on the environmental transformation and to gather data on the present state of the oceans. This project informs the public of proper conservation practices, gathers scientific data, and increases public awareness of the marine environmental consequences of Columbus' voyages.

Contact: Michael L. Frankel (202) 429-5609

ENCOUNTER OF THREE WORLDS PROJECT
PROGRAM IN JUDAIC STUDIES
ANN ARBOR, MICHIGAN

The program in Judaic Studies at the University of Michigan seeks to provide the public with new information on the impact of the Spanish and Portuguese Jews in the discovery and conquest of the New World. The project consists of several programs including forums, concerts, dramatic performances, lectures-demonstrations, and exhibits. Four areas will be highlighted throughout these programs: The role that Spanish and Portuguese Jews played in paving the way for the voyages of Discovery the participation in the Discovery and settlement by secret Jews and converts; their lives on the periphery of empire; and the impact on the new World of three centuries of legal exclusion of unauthorized ideas and person.

Contact: Judith Laikin Elkin (313) 763-9047

FLORIDA'S INTERNATIONAL MARITIME FESTIVAL (July, 1989)
KEY WEST, FLORIDA

Southern Florida will begin celebrating the Quincentenary in 1989 with the International Maritime Festival of the Americas. The event will highlight the role of Florida's seafaring heritage, beginning with the first voyage of Columbus to the Caribbean and continuing through later Spanish and European exploration and settlement.

The festival will include the Shipwreck Convention of the Americas, a parade of sail, and a variety of other maritime-related activities throughout the Florida Keys. Activities will begin in 1989 and be held annually through the Quincentenary.

Contact: R. Duncan Mathewson, III (305) 296-0241

CHRISTOPHER COLUMBUS CENTER FOR MARINE RESEARCH AND DISCOVERY
BALTIMORE, MARYLAND

The City of Baltimore, the State of Maryland, the National Aquarium, Columbus 500/Baltimore, and area universities have joined forces to create an advanced center of marine-related research, education and exhibition. The centerpiece of the project will be the Center for Marine Biotechnology, the nation's leading marine biotechnology research institute. Scheduled to open in 1992, the Center will demonstrate the rich historical commemorations of the Quincentenary and will mark 1992 as a departure date for future explorations. The project will consist of research activities, post-graduate, graduate, and undergraduate educational programs, historical programs and exhibits focusing on marine and maritime life, and a conference center to host major national and international conferences.

Contact: Stanley Heuisler (301) 752-7375

1989 COLUMBUS WORLD CUP
BALTIMORE, MARYLAND

An international world class yachting competition to be held in Baltimore Harbor and the Northern Chesapeake Bay in October, 1989. The event will take place during Columbus Week in celebration of the Quincentenary. Organizers are drawing attention to the event through the involvement of Olympic and America's Cup sailors.

Contact: Lee Tawney (301) 396-3366

THE HISPANIC PRESENCE ON THE GREAT PLAINS (April, 1989)
LINCOLN, NEBRASKA

The Center for Great Plains Studies at the University of Nebraska-Lincoln hosted a conference entitled, "The Hispanic Presence on the Great Plains," on April 12-14, 1989. The conference brought together scholars from numerous disciplines to present research on the history and culture of people of Hispanic origin in the Great Plains region from the first Spanish arrival in the 1540's to the "colonias" of the 19th and early 20th centuries.

Contact: John R. Wunder (402) 472-3082

VOICES IN THE WIND
ATLANTA, GEORGIA

A program for PBS distribution, "Voices in the Wind" is a film by Georgia State University, whose intent is to foster a greater appreciation of Native Americans. The script is adapted from a number of Cherokee myths. The project Directors for the film are Gary Moss and George deGolian, both of whom are educational filmmakers with the University and who recently won an Oscar for another film that they produced. Executive Producer for the film is Dr. Clara Howell, Director of GSU's Office of Educational Media.

Contact: Gary R. Moss (404) 651-3311

"SANTOS: THE HOUSEHOLD SAINTS OF PUERTO RICO"
NEW YORK, NEW YORK

Like the Greek word "icon," santos is a generic term in Spanish for any holy image for church or household use. The santos have been recognized as an authentic form of folk art and have been avidly collected for years. The exhibit will give visual interpretation of the sculptures made by self-taught "santeros" (santos makers) who demonstrate great versatility in their creation of form and size. Columbus left the mark of his conspicuously religious attitude by naming Caribbean islands after specific saints. The exhibit will honor Spanish settlers who, by populating the island first named San Juan Bautista and later Puerto Rico, are now an integral part of the social and cultural fabric of the United States. The exhibit is scheduled to travel throughout the United States in 1992.

Contact: Michael McManus (212) 977-7170

MOSAICO ATLANTICO
PHILADELPHIA, PENNSYLVANIA

This organization is actively developing plans for the creation of an arts/education program revolving around the work of Peruvian artist, Francisco Espinoza. The project will involve six to eight mosaic demonstrations, which will take place in several metropolitan areas around the country. These will serve as workshops for the artists who will eventually assist Mr. Espinoza in the creation of a grand mosaic mural, to be divided and presented to several countries for display, in honor of the Quincentenary.

Contact: Francisco Espinoza (215) 732-9799

MUSIC OF THE AMERICAS
SANTA FE, NEW MEXICO

This six year project of the Santa Fe Chamber Music Festival is designed to promote the musical cultures of Latin America in the United States. The festival selects a group of entertainers from one Latin American country each year to tour the United States, and in 1992, the six groups tour together around the country.

Contact: Peter Mattair (500) 983-2075

GRAND REGATTA COLUMBUS 92 - QUINCENTENARY

1. The commemoration in 1992 of the Quincentenary of the discovery of America by Christopher Columbus is a perfect occasion to evoke this great historical event

   Some years ago Spain started to establish a programme of actions and events to commemorate this fifth centenary of universal historic significance Many other countries have created their national committees.

2. For the nautical commemoration of the event of the date 1992, an International Organisation has been formed

   This organisation was established with representatives from Italy, Portugal, Spain, Puerto Rico, United States of America and United Kingdom, who are all concerned with the ports of call for the Grand Regatta Columbus 92 - Quincentenary.

3. The Sail Training Association, with its long experience of grand sailing events, has provided technical information that together with other assesments and objective conditions have enabled the organization to set the preliminary programme for the race on its own responsibility.

4. The GRAND REGATTA COLUMBUS 92 - QUINCENTENARY, has been programmed as follows
   - a) Concentration of yachts in Lisbon (Portugal) and in Genoa (Italy).
   - b) Converging races from these ports to Cádiz (Spain) were all yachts will concentrate.
   - c) Main commemorative race from Cádiz to San Juan (Puerto Rico).
   - d) Technical stop in Canary Islands
   - e) Concentration in San Juan of all yachts including those that have not taken part in the Atlantic crossing
   - f) Passage from San Juan to U.S.A. ports of New York and Boston.
   - g) Return race from Boston to Liverpool (U.K.).

5. The programmed dates were settled as follows

E.T.A	HARBOUR	E.T.D.
11 April	Genoa	19 April
23 April	Lisbon	25 April
29 April	Cádiz	3 May
10 May	Canarias	12 May
10 June	San Juan	14 June
3 July	New York	7 July
11 July	Boston	16 July
12 August	Liverpool	16 August

E.T.A.: First day concentration of all ships in harbour.

E.T.D.: Departure date.

6. It is anticipated that the GRAN REGATTA COLUMBUS 92 - QUINCENTENARY will be a great event to commemorate the Quincentenary of the discovery of America and the first encounter of two great world civilizations.

   It will be a grand occasion for every sailing yacht that is able to cross the Atlantic to take part in this great regatta

7. Those yachts not able to participate in the whole race will be allowed to take part in one or more legs of the race.

8. The race is celebrated under the Sail Training Association rules as well as other rules for communications and safety at sea set up by the International Technical Organization.

9. The competitors entering the races will be classified as follows:

   Class A: All yachts of 160 ft. (48,8 meters) length overall and over such as Juan Sebastián Elcano, Sagres, Gorch Fock, Eagle, Gloria and others.

   Class B: Yachts between 160 ft. (48,8 meters) and 100 ft. (30,5 meters) length overall such as Sir Winston Churchill, Eendracht, Falken, Belle Poule and others.

   Class C: All others ships with a minimun waterline length of 30 ft. (9,14 meters) such as Adventure, Stella Polare, Vega, Urania and others.

The International Organization reserves the right to subdivide these classes according to the number and type of inscriptions.

CITY QUINCENTENARY COMMISSIONS AND CONTACT PERSONS

Tuscon, Arizona

Ms. Deloris Rivas Bahti
Cultural Heritage Coordinator
Tucson/Pima Arts Council
P.O. Box 27210
Tucson, Arizona 85726
(602) 624-0595

Jacksonville, Florida

Mrs. Ruth L. Waters
Administrative Aide
Office of the Mayor
Jacksonville, Florida 32202

Sarasota, Florida

Mr. Paul Byrnes
Director
Sarasota Quincentenial Commission
1327 Cottonwood Trail
Sarasota, Florida 34232
(813) 377-8181
923-1602

Columbus, Indiana

Ms. Natalie Fairhead
Co-Chairman
P. O. Box 1451
Columbus, Indiana 47202-1451

Ms. Barbara Kirr
Program Coordinator
Columbus Indiana Quincentenary Committee
3665 Woodside Drive
Columbus, Indiana 47203
(812) 377-4045

Ms. Ann C. Smith
Cummins Engine Co.
Box 3005
Columbus, Indiana 47203-3005
(812) 377-3524

Caguas, Puerto Rico

Ms. Mildred Canetti
Directora
Departamento de Cultura
President of the Municipality Commission of the Quincentenary of the Discovery of America and Puerto Rico
Gobierno Municipal de Caguas
Apartado 907
Caguas, Puerto Rico 00625
(809) 746-5055/746-2808

Corpus Christi, Texas

Mr. Tony Bonilla
Chairman
Christopher Columbus Quincentenary Committee
Bonilla Plaza
2727 Morgan Avenue
Corpus Christi, Texas 78478

Mr. Rick Reyna
Vice-Chairman
Christopher Columbus Quincentenary Committee
Post Office Box 2664
Corpus Christi, Texas 78403
512-882-5603

Dallas, Texas

Ms. Janet Kafka
Chairperson
Dallas Quincentenary Committee
5499 Glen Lakes Drive
Dallas, Texas 75231
214-373-1200

INTERNATIONAL QUINCENTENARY COMMISSIONS

ARGENTINA

His Excellency Julio Donato Bárbaro
Secretary of Culture
Presidente de la Comisión Argentina de Homenaje al Quinto Centenario del Descubrimiento de América
Avenida Alvear 1690
C.P. 1014
Buenos Aires, Argentina
Tel: (54-1) 42-05-98 Fax: 11-25-59 telex: 21104

BAHAMAS

His Excellency Philip Patrick Smith
Member of Parliament
Chairman
Bahamas Quincentennial Commission
P.O. Box N7798
Nassau, Bahamas
Tel: (809) 322-1992 Fax: 322-4658

BERMUDA

Ms. Helen Rowe
Quincentennial Committee
Bermuda Archives
Government Administration Building
Parliament Street
Hamilton 5-24, Bermuda

BOLIVIA

His Excellency Carlos Iturralde
Minister of Foreign Relations
Presidente de la Comisión Nacional Boliviana para la Conmemoración del Quinto Centenario del Desubrimiento de América
Ministerio de Relaciones Exteriores
Calle Ingavi 3 (esq. Plaza Murillo)
La Paz, Bolivia
Tel: (591-2) 37-11-50 or 37-11-51 Fax: 37-11-55

BRAZIL

His Excellency Roberto Costa Abreu Sodre
Minister of Foreign Relations
Presidente da Comissão Nacional do Quinto Centenario
Itamaraty Palace
70.170 - Brasilia, D.F., Brazil
Tel: (55-61) 211-6161 Fax: 226-1762

CHILE

His Excellency Hernán Felipe Errazuriz
Minister of Foreign Relations
Presidente de la Comisión Chilena para la Celebración del
Quinto Centenario del Descubrimiento de América
Ministerio de Relaciones Exteriores
Palacio de la Moneda
Santiago, Chile
Tel: (56-2) 698-2501 Fax: 38-19-75

COLOMBIA

Dr. Germán Arciniegas
Presidente de la Comisión Nacional
del Quinto Centenario
Apartado Aéreo 240771
Bogotá, Colombia
Tel: (57-1) 292-1439 Fax: 283-6645

o Academia Colombiana
de Historia
Calle 10 #8-95

MAKE FAXES IN C/O Dr. Mauricio Obregón

COSTA RICA

His Excellency Carlos Francisco Echeverria
Minister of Culture
Presidente de la Comisión Nacional
del Quinto Centenario
Ministerio de Cultura, Juventud y Deporte
Apartado 4860
San José 1000, Costa Rica
Tel: (506) 21-38-06 Fax: 33-70-66

CUBA

Sr. D. Antonio Núñez Jiménez
Presidente de la Comisión Nacional Conmemorativa del Medio
Milenio del Descubrimiento Mutuo de las Culturas del
Viejo y el Nuevo Mundos
Ministerio de Cultura
Calle 2, entre 11 y 13. Vedado
La Habana 4, Cuba

DOMINICAN REPUBLIC

His Excellency Nicolás de Jesús Lopéz Rodríguez
Presidente de la Comisión Dominicana Permanente para la
Celebración del Quinto Centenario del Descubrimiento y
Evangelización de América
Casa de los Jesuitas
Museo de las Casas Reales
Calle Las Damas, esquina Mercedes
Apartado de Correos Núm. 2664
Santo Domingo, República Dominicana
Tel: (809) 682-4202 or 686-2049 Fax: (809) 685-4247

ECUADOR

His Excellency Diego Cordovéz
Minister of Foreign Relations
Presidente de la Comisión Nacional
del Quinto Centenario
Ministerio de Relaciones Exteriores
Dirección de Reuniones y Organismos Internacionales
Avenida 10 de Agosto y Carrión
Quito, Ecuador
Tel: (593-2) 56-02-79 Fax: 56-48-73

EL SALVADOR

His Excellency Dr. José Manuel Pacas Castro
Minister of Foreign Relations
Presidente de la Comisión Nacional Salvadoreña para
la Conmemoración del Quinto Centenario del
Descubrimiento de América: Encuentro de Dos Mundos
Ministerio de Relaciones Exteriores
Carretera a Santa Tecla,
Frente a Canal 6 de Televisión
San Salvador, El Salvador
Tel: (503) 23-16-64 Fax: 22-85-14
Telex: 20170 or 20500

also:
His Excelleny Ing. Leopoldo Herrera Córdoba
General Director of Culture and Communications
Secretary of Culture and Tourism for their Commission
Tel: (503) 23-34-64 ext. 160

GRENADA

The Honorable George J. McGuire
Minister of Education, Culture, Sports and Youth Affairs
Young Street
St. George's, Grenada, West Indies

GUATEMALA

Her Excellency Lic. Anaisabel Prera Flores
Minister of Culture and Sports
Presidente de la VII Conferencia Iberoamericana y I
Internacional de Comisiones Nacionales para la
Conmemoración del V Centenario del Descubrimiento
de América "Encuentro de dos Mundos"
7a. Avenida 8-92, Zona 9
Guatemala City, Guatemala, C.A.
Tel: (502-2) 34-68-56 or 34-68-57 Fax: 34-62-57

HAITI

The Honorable Albert Mangones
President
V Centenary Commission of Haiti
73 Ave. John Brown
Port-au-Prince, Haiti
Tel: (509-1) 53118 Fax: 39340 MAKE FAXES IN
C/O UNPD United Nations

HONDURAS

Her Excellency Elisa Valle de Martínez Paveti
Minister of Public Education
Presidente de la Comisión Nacional del Quinto Centenario
Tegucigalpa, Distrito Central
Honduras, C.A.
Tel: (504) 22-85-71 No Fax, telex to HONDUTEL

ISRAEL

His Excellency Yitzhak Navon
Minister of Education and Culture
Chairman, Quincentenary Commission of Israel
34 Shivtei Israel Street
P. O. Box 292
Jerusalem 91911, Israel
Tel: (972-2) 27-82-11 Fax: 27-82-38

ITALY

The Honorable Giulio Andreotti
Presidente del Consiglio dei Ministri
Presidente del Comitato Nazionale per le
Celebrazioni Colombiane
Palazzo Chigi
00186 Roma, Italy

ITALY (continued)

The Honorable Paolo Emilio Taviani (Senator)
Vice-president, Italian Senate
Presidente della Commissione Scientifica
Nazioanle Colombiana
Senato della República
Piazza Madama
00186 Rome, Italy
Tel: (39-6) 48-49-77 Fax: 6706-2992 (both Rome)
(39-10) 54-36-71 (Genoa)

Commission address: Via Michele Mercati, 4-00197 Rome. Italy. Tel:(39-6) 79-22-32, contact Prof. Andrea Paladini

JAMAICA

Professor Rex Nettleford
Chairman
Jamaica Columbus 500 Commission
Trade Union Education Centre
University of the West Indies
Mona, Jamaica
Tel/Fax: (809) 927 1920 (this is primary line, fax also connected to this line upon request) alternate Tel:927-1201

JAPAN

Mr. Kentaro Hayashi
Executive President
Japanese Commission for the Commemoration of the Quincentennial of the Discovery of America
-Encounter of Two Worlds-
Yuseigojyo-kai Kotohira Bldg. 5F
Nissei-Kai 1-14-1 Torahomon
Minato-Ku, Tokyo 105 Japan
Tel: (81-3) 595-1167 Fax: 504-1692

MEXICO

(Note: Mexico has two Commission Presidents)

His Excellency Fernando Solana Morales
Secretary of Foreign Relations
Presidente de la Comisión Nacional Conmemorativa Del
Quinto Centenario Del Encuentro de Dos Mundos
R. Flores Magón No. 1
Tlatelolco, D.F.
México
Tel: (52-5) 782-3120 or 782-3594 Fax: 782-4109

MEXICO (continued)

His Excellency Lic. Manuel Bartlett Díaz
Secretary of Public Education
Presidente de la Comisión Nacional Conmemorativa Del
  Quinto Centenario Del Encuentro de Dos Mundos
R. Flores Magón No. 1
Tlatelolco, D.F.
México
Tel: (52-5) 521-9574 or 510-0478 Fax: 782-4109

NICARAGUA

His Excellency Fr. Ernesto Cardenal
Minister of Culture
Presidente de la Comisión Quinto Centenario de Nicaragua
Ministerio de Cultura
Apartado Postal Núm. 3514
Managua, Nicaragua
Tel: (505-2) 265-91 or 224-40

PANAMA

His Excellency Carlos E. Fábrega
Director General
Instituto Nacional de Cultura
Apartado 661
Panamá 1, Panamá
Tel: (507) 25-04-00, 25-18-37, or 32-55-29

PARAGUAY

His Excellency Hugo Saguier
Vice Minister of Foreign Relations
Presidente de la Comisión Nacional del V Centenario
  del Descubrimiento de América
Ministerio de Relaciones Exteriores
Juan E. O'Leary 222
Asunción, Paraguay
Tel/Fax: (595-21) 44-44-57 (fax must be connected-not a
  dedicated line.)

PERU

Sr. D. Aurelio Miró Quesada
Presidente de la Comisión Nacional del Perú
Ministerio de Relaciones Exteriores
Ucayali, 363
Lima 01, Perú
Tel: (51-14) 22-19-72 Fax: 32-32-66 or 32-33-18

PHILIPPINES

His Excellency Raúl S. Manglapus
Secretary of Foreign Affairs
Chairman, Philippines Quincentenary Commission
Ministry of Foreign Affairs
Manila, Philippines
Tel: (63-2) 831-8955 office, 817-6752 residence
Fax: 832-3793

PORTUGAL

The Honorable Vasco Graça Moura
Comissário Nacional
Comissão Nacional para as Comemorações dos Descobrimentos Portugueses
Casa dos Bicos - Rua dos Bacalhoeiros
1100 Lisboa, Portugal
Tel: (351-1) 87-73-30 or 87-88-27
Fax: 87-33-30

ST. KITTS

Mr. Larkland Richards
President
National Commission for the Quincentennial
Ministry of Tourism
Government Headquarters
P.O. Box 186
Basse Terre, St. Kitts, West Indies

SPAIN

His Excellency Luis Yáñez Barnuevo
Secretary of State for International Cooperation
Presidente de la Comisión Nacional Quinto Centenario
Avenida de los Reyes Católicos, 4
28040 Madrid, Spain
Tel: (34-1) 449-4314 Fax: 266-7358

URUGUAY

Her Excellency Adela Reta
Minister of Education and Culture
Presidente de la Comisión Nacional del Quinto Centenario del Descubrimiento de América
Ministerio de Educación y Cultura
Montevideo, Uruguay
Tel: (598-2) 80-31-10 Fax: 80-93-07

VENEZUELA

His Excellency Reinaldo Figueredo Planchart
Minister of Foreign Relations
Presidente de la Comisión Nacional del Quinto Centenario
del Descubriminto de América - Encuentro de Dos Mundos
Ministerio de Relaciones Exteriores
Esquina de Carmelitas, Torre M.R.E
Caracas 1010 Venezuela
Tel: (58-2) 82-10-78 or 82-36-85
Fax: 83-16-62 or 83-13-76

STATE QUINCENTENARY COMMISSIONS AND CONTACT PERSONS

Alaska

The Honorable Sammy Crawford
Honorary Chair
Alaska Christopher Columbus
Quincentenary Jubilee
36615 Chinulna Drive
Kenai, Alaska 99611
(907) 283-9271

Arkansas

Ms. Cathy Buford
State Historic Preservation Officer
AHPP 225 East Markham
Suite 300
Little Rock, Arkansas
(501) 371-2763

California

Mrs. Helen Skripkin
Chairperson
1992 California Quincentennial Committee
347 14th Avenue
San Francisco, California 94118
(415) 752-4939

Colorado

The Honorable Michael S. Gallegos
Chairman
Colorado Quincentenary Commission
904 Galena Street
Aurora, CO 80010
(303) 367-9481

Delaware

Ms. Justine J. Mataleno
Vice-President
Italo-Americans United
P.O. Box 2534
Wilmington, Delaware 19805
(302) 888-4600

Florida

Mr. Walter Revel
Chairman
Columbus Hemispheric Trade Commission
2701 LeJeune Road
Suite 330
Coral Gables, Florida 33132
(305) 446-0872 or 447-8993

Idaho

Ms. Zuriel Knowles
Office of the Governor
State Capitol
Boise, Idaho 83720
(208) 334-2100

Illinois

Ms. Marsha Ericson
Assistant to the Governor
State of Illinois Center
100 W. Randolph Street
Chicago, IL 60601
(312) 917-4807

Iowa

Mr. William H. Jackson, Director
Department of Cultural Affairs
State Historical Building
600 East Locust
Des Moines, IA 50319
(515) 281-7471

Kansas

Mr. Bill Graves
Secretary of State
State Capitol
Topeka, KS 66612
(913) 296-2236

Louisiana

Mr. Joseph Maselli
Chairman
Louisiana Quincentenary Commission
1608 South Salacedo
New Orleans, LA 70125
(504) 822-3385

Maryland

Mrs. Ann D. Hartman
Executive Director
Governor's Commission on Maryland 1992
Maryland Department of Economic
and Employment Development
Redwood Tower
217 East Redwood Street
Baltimore, MD 21202-3318
(301) 333-6926

Massachusetts

Senator Louis P. Bertonazzi
Chairman
Massachusetts Christopher Columbus
Quincentennial Commission
Massachusetts Senate
State House - Room 314
Boston, Massachusetts 02133
(617) 722-1420

Michigan

Ms. Sharon Bommarito
Office of the Governor
Deputy Director of Personnel
State Governor
Lansing, Michigan 48909
(517) 373-3430

Minnesota

Ms. Joann Cardenas Enos
Co-Chairman
Minnesota Hispanic Quincentennial Commission
149 Exeter Place
St. Paul, Minnesota 55104
(612) 647-1130

Minnesota (continued)

Mr. Heladio Zavala
Co-Chairman
Minnesota Hispanic Quincentennial Commission
809 Brookwood Lane
Sartell, Minnesota 56377
(612) 253-9098

Mississippi

Ms. Martha Wilkins, Ph. D.
Scholar-in-Residence
Columbus Quincentenary Committee
P. O. Box 571
Jackson, MS 29205-0571
(601) 359-1424

Nevada

Ms. Barbara Mauriello
Executive Director
Columbus Day Parade Association
2705 Lake Ridge Shores West
Reno, NV 89509
(702) 826-1113

New Hampshire

Mr. Steve Edwards
Office of the Governor
State House
Concord, NH 03301-4990
(603) 271-2121

New Jersey

The Honorable Carmen A. Orechio
Chairman
Christopher Columbus Quincentennial Commission
30th Legislative District
800 Bloom Field District
Nutley, NJ 07110
(201) 235-1166

New Mexico

Theo R. Crevenna
Interim Steering Committee for the
New Mexico Quincentenary Commission
Deputy Director
Latin American Institute
University of New Mexico
801 Yale N. E.
Albuqueque, NM 87131
(505) 277-2961

New York

Mrs. Mario M. Cuomo
Chairperson
The Honorable Robert Wagner
Honorary Chairperson
New York State Quincentenary Commission
4 Burnett Boulevard
Poughkeepsie, New York 12603
(914) 431-5913

North Carolina

Dr. Bill Price
Director of Archives and History
Department of Cultural Resources
109 East Jones Street
Raleigh, North Carolina 27611
(919) 733-7305

Ohio

The Honorable Stella Marie Zannoni
Co-Chairman
Ohio 1992 Commission
2 Bratenahl Place
Bratenahl, Ohio 44108
(216) 451-9386

The Honorable Alphonse P. Cincione
Co-Chairman
Ohio 1992 Commission
1126 Ormsby Place
Columbus, Ohio 43212
(614) 486-1096

Oregon

Mr. William M. Ray
Commissioner
Commission on Indian Services
454 State Capitol
Salem, OR 97310

Pennsylvania

Dr. Brent D. Glass
Chairman
Columbus Voyages Celebration Advisory Task Force
Pennsylvania Historical and Museum Commission
Box 1026
Harrisburg, Pennsylvania 17108-1026
(717) 787-2891

Puerto Rico

The Honorable Miguel Hernandez Agosto
Presidente
Commission Puertorriquena para la Celebracion del
V Centenario del Descubrimiento de America
y Puerto Rico
Calle San Sebastian, Numero 1
San Juan, Puerto Rico 00901
(809) 722-1992

Rhode Island

The Honorable Joseph Muratore
Chairman
Rhode Island Christopher Columbus Quincentenary
Celebration Committee
Muratore Agency
P.O. Box 9486
Warwick, Rhode Island 02889
(401) 737-6460

South Carolina

Dr. Chester B. DePratter
Chairman
Columbian Quincentennial Commission of South Carolina
1321 Pendleton Street
Columbia, SC 29208-0071
(803) 777-8170

Tennessee

Mr. Herbert Harper
Executive Director and Deputy State Historic Preservation Officer
Tennessee Historical Commission
701 Broadway
Nashville, TN 37219
(615) 742-6716

Texas

Mr. Victor Tom Naccarato
Christopher Columbus Quincentenary Texas Jubilee Commission
P.O. Box 50518
Austin, Texas 78763
(512) 499-0570

Utah

Ms. Katie L. Dixon
Chairman
Christopher Columbus Quincentenary Jubilee Commission - Utah
2001 South State
Salt Lake City, Utah 84190
(801) 535-7671

Vermont

Mr. Marty Hanifan
Office of the Governor
State House
Montpelier, VT 05602
(802) 828-3333

Virginia

Mr. Ross Weeks, Jr.
Executive Director
Jamestown-Yorktown Foundation/Drawer JF
Williamsburg, Virginia 23187-3630
(804) 253-4838

Virgin Islands

Mrs. Jessie K. Thomson
President
Christopher Columbus Jubilee Committee
Box 456
Fredericksted, St. Croix
U.S. Virgin Islands 00840
(809) 772-0263

Mr. SMITH. Mr. Alexander.

Mr. ALEXANDER. Well, we are very interested in your Commission, and plans for the Commission. As you know, I have been interested in it from before the beginning.

One of the Commissioners and I are good friends, Henry Raymont. Henry is a good guy, intellectual and writing a book about the Cuban Revolution right now. He has not finished it, has he?

Mr. GOUDIE. No, he has not.

Mr. ALEXANDER. I arranged for the interview with him with Fidel Castro, and that interview lasted from about ten o'clock at night until four o'clock the next morning, and we were sitting at the airport waiting on Fidel to finish his interview so we could come back to Miami.

Mr. GOUDIE. He was in jail. Henry was——

Mr. ALEXANDER. They put him in jail because they thought he was CIA and, in fact, Henry had to explain to Fidel that he was not. But very interesting guy, and I will be interested in his book, if I can get a preview.

Would you send to me your proposed schedule of events?

Mr. GOUDIE. Sure. I think we brought it with us, did we not?

Mr. ALEXANDER. I would like to participate in some of those, if I can.

Mr. GOUDIE. Sure. We have about 72 programs that we have endorsed, all through the United States at this moment. I didn't mention all of them, but there is a list here and hopefully between now and 1992 we will have pretty close to 500 for the anniversary. We hopefully will fund all those from the private sector fund raising that we are doing.

Mr. ALEXANDER. Well, Budweiser will donate some money.

Mr. GOUDIE. Yes. Also, I would like to mention there are 39 States today that have created commissions that work very closely with us and 100 cities in the United States who have created commissions. And other than Spain and the United States, there were 31 countries which have created a commission which we work very closely with, including Japan. We do cultural programs with them also.

Mr. ALEXANDER. It will be a lot of fun.

Mr. GOUDIE. Yes, it will.

Mr. SMITH. Okay. Thank you very much.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Smith

Fund Raising

1. QUESTION: In response to a question I asked last year during the hearing on the Commission's fiscal year 1990 request, you indicated that if your fund-raising efforts went as planned, you might not need any subsequent appropriations. Am I to understand that you have not had as much success in collecting private sector donations as originally anticipated?

ANSWER: As I outlined in my testimony we have been highly successful in raising $5,000,000 from the private sector, at a rate of 1,000,000 per year from Texaco. These monies are specifically earmarked for the Caravels Project, therefore we will continue to need appropriated funds to help offset administrative expenses.

2. QUESTION: Last year, you projected private donations of $1,000,000 in fiscal year 1989 and $2,000,000 in fiscal year 1990. What was the actual amount collected by the Commission in fiscal year 1989?

ANSWER: The actual amount in private donations collected by the Commission in fiscal year 1989 was $1,189,000.

QUESTION: To date in 1990?

ANSWER: The actual amount in private donations collected to date by the Commission in fiscal year 1990 is $206,000.

3. QUESTION: What amount are you projecting for fiscal year 1991?

ANSWER: We have been told by Texaco Incorporated that we will receive from them in fiscal year 1991 $500,000. We also expect to receive $29,000 in other gifts. Therefore, we project private donations of $529,000 in fiscal year 1991.

4. QUESTION: To what extent do these donations depend on the licensing of the Commission's logo for commercial use?

ANSWER: In fiscal year 1989, $100,000 of the total came from licensing fees. In fiscal year 1990, $200,000 of the total comes from licensing fees. In our projection for fiscal year 1991, no licensing fee revenues are included.

Commemorative Coins

1. QUESTION: What is the status of the legislative package proposed by the Commission regarding the sale of commemorative coins?

ANSWER: The Commission has submitted to the Office of Management and Budget a proposed legislative package for the minting of commemorative coins and the use of the proceeds from the sale of such coins as recommended in the Commission's 1987 Report To Congress. The Commission is awaiting OMB views.

Personnel and Administrative Costs

1. a. QUESTION: According to your budget request, the Commission will maintain approximately the same personnel costs in fiscal year 1991 ($217,000) as in fiscal year 1990 ($215,000), yet your personnel summary indicates an increase of two full time equivalent workyears. Will the additional staff be paid with non-appropriated funds?

ANSWER: The additional staff from fiscal year 1989 to fiscal year 1990 of two full time equivalent workyears would be paid through a combination of appropriated and non-appropriated funds; we do not anticipate hiring additional personnel unless we receive sufficient donated monies to cover their compensation.

1. b. QUESTION: How many, if any, of the Commission's employees are currently paid out of non-appropriated funds?

ANSWER: All employees on the Commission's payroll are paid through a combination of appropriated and non-appropriated funds; after appropriated monies are exhausted, these employees will be paid from non-appropriated monies.

2. QUESTION: Are you currently utilizing personnel on detail from other Federal agencies? If so, provide for the record a breakdown of the number of personnel as well as other in-kind administrative support by donor agency.

ANSWER: We are currently utilizing one employee on detail from the Library of Congress, and no other in-kind administrative support from other federal agencies.

TUESDAY, FEBRUARY 6, 1990.

STATE JUSTICE INSTITUTE

WITNESSES

C.C. TORBERT, JR., CHAIRMAN OF THE BOARD OF DIRECTORS
DAVID I. TEVELIN, EXECUTIVE DIRECTOR
DICK VAN DUIZEND, DEPUTY DIRECTOR

Mr. SMITH. Next we will hear from the State Justice Institute, for which the fiscal year 1991 request is $15 million.

We will insert the budget justifications submitted in support of this request at this point in the record.

[The budget justification materials follow:]

State Justice Institute

Chairman
C.C. TORBERT, JR.
Former Chief Justice
Supreme Court of Alabama
Montgomery, Alabama

Vice Chairman
RODNEY PEEPLES
Judge, Second Judicial Circuit
Barnwell, South Carolina

Secretary
JOHN F. DAFFRON, JR.
Judge, Twelfth Judicial Circuit
Chesterfield, Virginia

Treasurer
LARRY P. POLANSKY
Executive Officer
District of Columbia Courts
Washington, D.C.

JOSEPH W. BROWN
Jones, Jones, Close and Brown, Chtd.
Las Vegas, Nevada

JAMES DUKE CAMERON
Justice, Supreme Court of Arizona
Phoenix, Arizona

RALPH J. ERICKSTAD
Chief Justice
Supreme Court of North Dakota
Bismarck, North Dakota

JANICE GRADWOHL
Judge, County Court
Third Judicial District
Lincoln, Nebraska

DANIEL J. MEADOR
Professor of Law
University of Virginia Law School
Charlottesville, Virginia

SANDRA A. O'CONNOR
States Attorney of Baltimore County
Towson, Maryland

DAVID I. TEVELIN
Executive Director

RICHARD VAN DUIZEND
Deputy Director

January 11, 1990

Honorable Neal Smith
Chairman
Subcommittee on the Departments of
Commerce, Justice, and State,
the Judiciary, and Related Agencies
Committee on Appropriations
United States House of Representatives
Washington D.C. 20515

Dear Mr. Chairman:

Please find attached for your consideration the formal budget request of the State Justice Institute for Fiscal Year 1991.

On behalf of the Board of Directors, I would like to thank you and the members of the Subcommittee for your support of the Institute through your approval of our recent reprogramming request as well as in past deliberations. For Fiscal Year 1991, the Board of Directors respectfully requests resources totalling $15,000,000. This amount is the level which is necessary for the Institute to reasonably satisfy the statutory mandate of the State Justice Institute Act of 1984, Pub. L. 98-620, as amended by Pub. Ls. 100-690 and 100-702.

In Fiscal Years 1987 through 1989, SJI received 780 concept papers seeking over $109,000,000. From these concept papers, the Institute's Board of Directors invited 315 applications for funding of projects seeking to improve the administration of justice in the state courts. From these applications, the Board of Directors has approved over 250 grants, contracts and cooperative agreements totalling approximately $25,000,000.

November 30, 1989 was the deadline for the Fiscal Year 1990 SJI concept papers. On that date, the Institute received another 273 concept papers requesting over $36 million in assistance. Both the number of papers received and the amount of assistance requested were higher than in any previous funding cycle.

120 South Fairfax Street
Alexandria, Virginia 22314 (703) 684-6100

The benefits of the Institute's projects are realized by both the State and Federal judiciaries. Several projects are intended to reduce the workload burdens of the Federal courts, others would demonstrate innovative procedures and practices that could result in increased efficiency in both State and Federal courts, and still others support programs to educate, train, and make information available to Federal judges and other court personnel. In addition, a number of Institute grants assist State courts in carrying out the requirements of Federal legislation.

Among the grants that will benefit both the State and Federal courts are:

- An American Bar Association study to seek methods to improve Federal habeas corpus review of State court convictions that result in the imposition of the death penalty ($136,275);
- An American Law Institute study of complex litigation in both State and Federal courts to improve the handling of multiparty, multiforum cases ($150,000);
- Two awards to the National Center for State Courts to support a project evaluating the impact of possible changes in Federal diversity jurisdiction on the State and Federal courts ($107,502 in total);
- An award to the Rural Justice Center to develop a "State Trial Court Education Program on Farm Credit Issues." This training curriculum will benefit both State and Federal judges by providing training on issues ranging from attaching government program payments (e.g., PIK) to dealing with conflicting orders issued by a Federal Bankruptcy court and a State court through a foreclosure proceeding ($139,869);
- A study by the Institute for Economic and Policy Studies of the factors that motivate litigants to choose a Federal or State forum in cases of concurrent jurisdiction ($113,490);

- Two awards to help the Federal Courts Study Committee address issues relating to abstention, removal, and pendent jurisdiction ($10,000);

- An examination of the impact of Federal Rule of Civil Procedure 11 (authorizing sanctions for frivolous claims, defenses, and motions) on a Federal and State court in Washington State by the Gonzaga University Law School ($58,000); and

- A field experiment conducted in both Federal and State courts that studies the impact of juror notetaking and question asking on the courts and litigants, by the American Judicature Society ($111,074).

Grants that help the State courts implement Federal laws include:

- An award to the Center for Policy Research for evaluating the impact on litigants and the courts of the three major types of child support guidelines that have been adopted by the States in response to the Federal Child Support Enforcement Act ($93,076);

- A grant to the National Council of Juvenile and Family Court Judges for a training and technical assistance project entitled "Making Reasonable Efforts to Preserve Families" which is expected to result in improved compliance with the Federal Adoption Assistance and Child Welfare Act ($159,010); and

- A study to be conducted by Professor Stephen Steinglass of Cleveland State University on the impact of litigation conducted in State courts under the Federal Civil Rights Act (42 U.S.C. 1983) on both the State and Federal courts ($33,704).

Besides the improvement of the working relationship between the Federal and State courts, other SJI Special Interest areas for Fiscal Year 1990 include substance abuse, improved treatment of victims and witnesses, the application of technology in the courts, evaluation of alternative dispute resolution procedures, court delay reduction, and the future of the courts.

The critically important fact underlying each of these issues and the other subjects comprising the Institute's Special Interest categories is that the State courts are where over 95% of the cases litigated in this country are filed. The State court is, accordingly, the forum where Americans are most likely to form their impressions of justice, both as an abstract notion, and as a personal experience. Because of the Federal Government's fundamental interest in assuring that the promises of the Constitution and Federal law are delivered to and understood by the American public, Congress has an important interest in supporting the Institute's efforts to translate those promises into reality.

In relative terms, the Institute's request of $15,000,000 represents a modest investment of Federal resources to address the needs of State and local courts across the nation. In practical terms, this investment carries with it the potential to target a total of approximately $20,000,000 for our nation's court systems due to the matching requirements of the Institute's enabling legislation.

In light of the above, and the materials included in the attached budget submission, the Board of Directors respectfully requests that the Institute's Fiscal Year 1991 budget request be considered favorably by the Subcommittee.

I look forward to testifying on behalf of the Institute in support of this request and will be happy to provide any additional information the Subcommittee desires. I appreciate your consideration of this request.

Sincerely,

C.C. Torbert, Jr.
Chairman

Attachment

cc: Board of Directors

STATE JUSTICE INSTITUTE

Congressional Budget Request for Fiscal Year 1991

Table of Contents

Item	Page Number
Introduction	1
Summary Statement	8
Schedule of Resource Requirements by Decision Unit	10
Justification of Proposed Changes in Appropriation Language	11
Crosswalk of 1990 Changes	13
Summary of Requirements	14
Justification of Program and Performance	15
General Administration	19
Grant Program	20
Summary of Requirements by Object Class	21
Analysis of Change	22

STATE JUSTICE INSTITUTE

This submission requests funding for the fifth year of operation for the State Justice Institute, established pursuant to the State Justice Institute Act of 1984 (P.L. 98-620) and reauthorized in Title VII, subtitle H of Pub. L. 100-690, November 18, 1988 and Title VI of Pub. L. 100-702, November 19, 1988. The original Board of Directors was sworn into office on September 29, 1986. Because neither the Institute's authorizing statute nor its original appropriation permitted Fiscal Year 1986 funds to be expended after the end of that fiscal year, the appropriation for FY 1986 lapsed on September 30, 1986. Therefore, the Fiscal Year 1987 "no year" appropriation of $7.2 million provided the initial funding for Institute operations. The Fiscal Year 1988 appropriation of $10,980,000 provided funds to modestly expand the program of financial assistance set out in P.L. 98-620. The fiscal year 1989 appropriation of $10,980,000 effectively froze the Institute's activities at the prior year's level. For Fiscal Year 1990, the Institute expects to operate with an appropriation of $12,020,000, a level slightly above current service.

In Fiscal Years 1987 through 1989, the Institute received 780 concept papers seeking over $109,000,000. From these concept papers, the Institute's Board of Directors invited 315 applications for funding of projects seeking to improve the administration of justice in the state courts. From these applications, the Board of Directors has approved over 250 grants, contracts and cooperative agreements through November 24, 1989, totalling approximately $25,000,000.

November 30, 1989 was the deadline for the Fiscal Year 1990 SJI concept papers. On that date the Institute received another 273 concept papers requesting over $36 million in assistance. Both the number of papers received and the amount of assistance requested were higher than in any previous funding cycle.

Due to the large number of requests, the award process is extremely competitive. Regrettably, many of those seeking funding have been denied assistance for promising projects of national significance. It is clear that there is a substantial need for the focused assistance to State and local courts that the Institute provides.

The amount requested for fiscal year 1991 is $15,000,000, as authorized by the Congress. Although this amount is modest with respect to the basic financial support provided by State legislatures, it will allow the State Justice Institute to continue to provide the needed seed money and support for efforts by State and local court systems to improve the quality of justice received by individuals across the nation. When the matching provisions of the Institute's authorizing legislation are considered, the amount appropriated by Congress to support these efforts could be augmented by fifty percent through the addition of State or private funds.

On the basis of its three years of experience (FY 1987 through FY 1989), the Board of Directors believes there is now a greater need than ever for increased funding from SJI to those working in and serving the State courts. This belief is supported by information coming from a variety of independent sources: the concept papers and applications submitted to the Institute; the problems and potential solutions demonstrated by the Institute's projects; and the results of surveys of judges, court professionals, and other experts undertaken in conjunction with a "Future and the Courts" Conference to be convened by SJI in May, 1990.

The most important areas of need identified by these sources include:

Substance Abuse. In response to the needs expressed by the judicial leaders of the States most burdened by drug cases, the Institute's FY 1990 Grant Guideline includes a "Substance Abuse" Special Interest category that seeks to address the most critical needs identified by those States. Among them are:

* the development of profiles, guides, risk assessment instruments and other tools to assist judges in making release, dispositional and treatment decisions in cases involving substance-abusing persons;

* the evaluation of the effectiveness of drug and alcohol treatment programs administered by the courts;

* the development and evaluation of innovative case management techniques for handling the increasing volume of substance abuse-related cases fairly and expeditiously; and

* the presentation of conferences and other forums to educate judges, probation officers, and other court personnel about drug and alcohol abuse, and to discuss the appropriate role of the courts in addressing those problems.

Families in Crisis. It is clear from the findings of projects already in progress that the State courts need greater help in designing and implementing innovative solutions to respond to the needs of families enmeshed in the courts. Regrettably, it is increasingly common today to find families where one or both parents are defendants in cases in criminal court, e.g., on charges of spousal abuse; their children are involved in separate juvenile court proceedings; and both parents and children are parties to family court matters, e.g., divorce, child support, neglect, or child abuse cases. All too often, one judge does not even know of the existence of the matters pending before other judges and many times, social and personal information about family members is collected repetitively, and inconsistent or conflicting dispositions of related cases occur.

The importance of this problem to the State courts and the more fundamental, underlying problems of family deterioration in the United States should not be underestimated. The preliminary results of the "Future and the Courts" Conference surveys identified the continuing breakdown in family structure as the primary problem likely to affect American State courts over the next 30 years. An SJI-supported Symposium on Families in the Courts has identified potential ways to responsibly and effectively remedy these problems, and the "Future and the Courts" Conference should identify others, but solutions will entail further research, demonstration, and evaluation, all of which the Institute can and should support.

The Relationship Between State and Federal Courts. Although a number of SJI projects have addressed significant issues involving jurisdictional and subject matter issues affecting the Federal court system and the State courts, much more remains to be done. Ongoing SJI grants are examining the potential impact of different changes in diversity jurisdiction on both the Federal and State courts; the possibility of changes in the resolution of multi-forum complex litigation; ways to improve Federal and State court habeas corpus review procedures; and the factors that motivate litigants to choose a Federal or State forum, among other issues.

A major issue needing further study is the impact of the enforcement of Federal statutes on the State courts, including, for example, a study of the growing trend of increased filings of civil rights and other constitutional cases in the State courts rather than the Federal courts. Other statutes impose grant conditions and eligibility requirements that often become the subject of litigation in State courts. Examination of this issue would help Congress define the appropriate remedies and avenues for relief in a broad array of legislation.

One of the fundamental justifications for Congress' enactment of the State Justice Institute Act in 1984 was that financial assistance provided by the Institute to State courts and their affiliated organizations would also benefit the Federal courts and help the State courts comply with Federal constitutional and legislative requirements. The Institute's programs and grants demonstrate that the Institute is fully meeting Congress' expectations.

In every year of its existence, the Institute's Program Guideline has designated projects that would "improve the administration of justice in the State courts and at the same time . . . reduce the work burdens of the Federal courts" as being of "special interest" to the Institute. The Guideline cited the following areas as particularly suited for such projects: Federal habeas corpus review of State convictions; State court civil cases where a party is also subject to a Federal bankruptcy proceeding; the adjudication of Federal law questions by State courts; and other projects designed to better allocate judicial burdens between State and Federal courts.

In the funding cycles to date, the Institute funded a number of projects in these and other areas that are expected to provide a diverse array of benefits to the Federal courts and Federal judicial personnel. Several projects are intended to reduce the workload burdens of the Federal courts, others would demonstrate innovative procedures and practices that could result in increased efficiency in both State and Federal courts, and still others support programs to educate, train, and make information available to Federal judges and other court personnel. Among the grants that will address the relationship between State and Federal courts are:

- An American Bar Association study to seek methods to improve Federal habeas corpus review of State court convictions that result in the imposition of the death penalty ($136,275);

- An American Law Institute study of complex litigation in both State and Federal courts to improve the handling of multiparty, multiforum cases ($150,000);

- Two awards to the National Center for State Courts to support a project evaluating the impact of possible changes in Federal diversity jurisdiction on the State and Federal courts ($107,502 in total);

- An award to the Rural Justice Center to develop a "State Trial Court Education Program on Farm Credit Issues." This detailed training curriculum will benefit both State and Federal judges by providing training on issues ranging from attaching government program payments (e.g., PIK) to dealing with conflicting orders issued by a Federal Bankruptcy court and a State court through a foreclosure proceeding ($139,869);

- A study by the Institute for Economic and Policy Studies of the factors that motivate litigants to choose a Federal or State forum in cases of concurrent jurisdiction ($113,490);

- Two awards to help the Federal Courts Study Committee address issues relating to abstention, removal, and pendent jurisdiction ($10,000); and

- A field experiment conducted in both Federal and State courts that studies the impact of juror notetaking and question asking on the courts and litigants, by the American Judicature Society ($111,074).

Grants that help the State courts implement Federal laws include:

- An award to the Center for Policy Research for evaluating the impact on litigants and the courts of the three major types of child support guidelines that have been adopted by the States in response to the Federal Child Support Enforcement Act ($93,076);

- A grant to the National Council of Juvenile and Family Court Judges for a training and technical assistance project entitled "Making Reasonable Efforts to Preserve Families" which is expected to result in improved compliance with the Federal Adoption Assistance and Child Welfare Act ($159,010); and

- A study to be conducted by Professor Stephen Steinglass of Cleveland State University on the impact of litigation conducted in State courts under the Federal Civil Rights Act (42 U.S.C. 1983) on both the State and Federal courts ($33,704).

- An examination of the impact of Federal Rule of Civil Procedure 11 (authorizing sanctions for frivolous claims, defenses, and motions) on a Federal and State court in Washington State by the Gonzaga University Law School ($58,000); and

Other special interest areas for Fiscal Year 1990 include the application of technology in the courts, substance abuse, evaluation of alternative dispute resolution procedures, improved treatment of victims and witnesses, court delay reduction, the court related needs of the elderly and disabled persons, and the future of the courts.

The critically important fact underlying each of these issues and the other subjects comprising the Institute's Special Interest categories is that the State courts are where over 95% of the cases litigated in this country are filed. The State court is, accordingly, the forum where Americans are most likely to form their impressions of justice, both as an abstract notion, and as a personal experience. Because of the Federal government's fundamental interest in assuring that the promises of the Constitution and Federal law are delivered to and understood by the American public, Congress has an important interest in supporting the Institute's efforts to translate those promises into reality.

STATE JUSTICE INSTITUTE

Summary Statement

Major Resource Initiative

The State Justice Institute is requesting a total of $15,000,000, 25 permanent positions, and 25 workyears for 1991. This request represents an increase of $2,405,000 in program funds and $235,000 for administration including three positions for a total increase of $2,640,000 over the 1991 base level. The request is summarized below by major initiative.

Initiative: General Administration

Objective: To increase the Institute's capacity to monitor the financial activities of grantees, review applications for funding, evaluate projects, and publish and disseminate materials of importance regarding State judicial systems.

Background: Since its inception, the Institute has received 780 concept papers seeking over $109,000,000. From these concept papers, the Institute's Board of Directors invited 315 applications for funding of projects seeking to improve the administration of justice in the state courts. From these applications, the Board of Directors has approved over 250 grants, contracts and cooperative agreements through November 24, 1989, totalling approximately $25,000,000. In FY 1990, the Institute's fourth year of operation (third full year), SJI will be experiencing the full effects of past funding cycles while administering the awards process for the FY 1990 program year. Projects funded in FY 1987, FY 1988 and FY 1989 will require monitoring by Institute staff in order to ensure that they fulfill their intended objectives.

At existing staffing levels we are projecting that each Program Manager will be responsible for monitoring a minimum of 23 grant projects within a matter of months. The Executive Director and Deputy Director of the Institute will also be required to continue their monitoring responsibilities to help program staff cope with the workload. Moreover, each financial monitor will be responsible for a minimum of 53 active projects. These same people will be reviewing approximately 200 concept papers and 130 subsequent grant applications while attempting to deal with the day-to-day operations of the Institute.

As can be determined from the above, the additional resources requested are more appropriately related to the increasing demand for monitoring activity which is the result of past awards, not the request for an enhanced grant program.

Initiative: Grant Program

Objective: To meet the statutory requirements of P.L. 98-620, as amended, and the current authorization by providing funds to further the development and adoption of improved judicial administration in State courts.

Background: The State Justice Institute Act of 1984 (Title II of P.L. 98-620 as amended by Title VII, Subtitle H, P.L. 100-690, Title VI of Pub. L. 100-702, and Sec. _____ of Pub. L. 101-162, charged the Institute with the responsibility to operate a nationwide grant program to provide financial assistance for innovative programs and projects which support State and local court systems. Public Law 100-690, as revived by Pub. L. 101-162, authorized $15,000,000 for the Institute in 1989, 1990, 1991 and 1992. This request would bring the Institute's program to the level of operation authorized by the Congress.

Schedule of Resource Requirements by Decision Unit: For 1991, the Institute is requesting additional resources of 3 position, 3 FTE, and $235,000 for General Administration and $2,405,000 for the grant program. The resources will greatly assist the Institute in meeting the requirements of its enabling legislation.

(Dollars in thousands)

Cost Inputs	General Administration			Grant Program			Total Initiative		
Position by Type	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Program Manager	1	1	$55	...	...	...	1	1	$55
Program Assistant	1	1	36	...	...	...	1	1	36
Financial Monitor	1	1	50	...	...	...	1	1	50
Travel	...	...	20	...	...	...	...	...	20
Equipment	...	...	63	...	...	...	...	...	63
Supplies	...	...	11	...	...	...	...	...	11
Grants	...	...	...	...	...	2,405	...	...	2,405
TOTAL	3	3	235	...	...	2,405	3	3	2,640

STATE JUSTICE INSTITUTE

Salaries and Expenses

Justification of Proposed Changes in Appropriation Language

The 1991 budget estimates include proposed changes in the appropriation language listed and explained below. New language is underscored and deleted matter is enclosed in brackets.

Salaries and Expenses

For necessary expenses of the State Justice Institute, as authorized by The State Justice Institute Authorization Act of 1988 (Public Law 100-690 (102 Stat. 4466-4467)), [8,000,000] to remain available until expended [: $15,000,000 ,
^ Provided, That section 607 of the Judicial Improvements and Access to Justice Act, Public Law 100-702, amending section 215 of the State Justice Institute Act of 1984 is hereby repealed and section 7321(a) of the Anti-Drug Abuse Act of 1988, Public Law 100-690, is hereby revived.]

(Pub. L. 98-620, as amended by Subtitle H, Title VII of P.L. 100-690, Anti-Drug Abuse Act of 1988, November 18, 1988, as amended by, Title VI of Pub. L. 100-702, and Sec. of Pub. L. 101-162, Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1990, November 21, 1989.

Salaries and Expenses

[For carrying out the provisions of section 7321 of the Anti-Drug Abuse Act of 1988 (P.L. 100-690, $4,020,000, to remain available until expended, to allow the State Justice Institute to expand its programs to assist States in improving their court systems to allow them to handle the growing drug and crime related caseload.]

(Pub. L. 98-620, as amended by Subtitle H, Title VII of P.L. 100-690, State Justice Institute Reauthorization, November 18, 1988, as amended by Title VI of Pub. L. 100-702, and Sec. of Pub. L. 100-164, Department of Transportation and Related Agencies Appropriations Act, 1990.

Explanation of changes

For Fiscal Year 1990, the Institute was funded through two appropriations for a total of $12,020,000. The principal source of funding was Pub. L. 101-162, The Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1990, November 21, 1989. The remaining $4,020,000 was provided through the emergency drug supplemental portion of Pub. L. 100-164, The Department of Transportation and Related Agencies Appropriations Act, 1990, November 21, 1989.

The appropriation language in Pub. L. 101-162 also contained technical amendments relating to Subtitle H, Title VII of P.L. 100-690, State Justice Institute Reauthorization, November 18, 1988, as amended by Title VI of Pub. L. 100-702. Section 607 of the Judicial Improvements and Access to Justice Act (Pub. L. 100-702) provided a two year reauthorization for the Institute while section 7321(a) of Pub. L. 100-690, the Anti-Drug Abuse Act of 1988, provided a four-year reauthorization. Congress passed the Anti-Drug Abuse Act (four-year authorization) after passing the Judicial Improvements and Access to Justice Act (two-year authorization) which should have had the effect of law. However, the President signed the bills in the reverse order of their passage by Congress. This technical amendment addressed the conflict and is proposed for deletion for fiscal year 1991.

For fiscal year 1991 the Institute is requesting the full amount of its authorized level, $15,000,000, for inclusion in the Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1991. Therefore, the Institute has shown the appropriations language from the Department of Transportation and Related Agencies Appropriations Act, 1990 as requiring deletion.

State Justice Institute

Salaries and Expenses

Crosswalk of 1990 Changes

(Dollars in Thousands)

	FY 1990 As Appropriated			FY 1990 Sequester Reduction			Proposed Reprogramming			FY 1990 Revised Appropriation		
Program	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount	Pos.	WY	Amount
1. General Administration......	20	20	$1,401	...	...	...	2	1.5	$149	22	21.5	$1,550
2. Grants.....................	...	...	10,619	...	...	(159)	...	...	(149)	...	...	10,311
Total.....................	20	20	12,020	0	0	(159)	2	1.5	0	22	21.5	11,861

Reprogramming: The addition of positions and reprogramming of budget authority reflects the effect of the December 7, 1989, reprogramming notification. In the narrative accompanying the notification it was stated that the reprogramming was of a permanent nature and would carry into 1991.

State Justice Institute

Salaries and Expenses

Summary of Requirements
(Dollars in Thousands)

	Perm. Pos.	Work-years	Amount
1990 appropriation	22	21.5	$11,861
Uncontrollable increases	...	0.5	499
1991 Base	22	22	12,360

	1990 Appropriation			1991 Base			1991 Estimate			Increase/Decrease		
Estimates by budget activity	Perm. Pos.	Work-years	Amount	Perm. Pos.	Work-years	Amount	Perm. Pos.	Work-years	Amount	Perm. Pos.	Work-years	Amount
1. General Administration	22	21.5	$1,550	22	22	$1,637	25	25	$1,872	3	3	$235
2. Grants	...	...	10,311	...	...	10,723	...	...	13,128	...	...	2,405
Total	22	21.5	11,861	22	22	12,360	25	25	15,000	3	3	2,640

	Approp	Reim	Total	Approp	Reim	Total	Approp	Reim	Total	Approp	Reim	Total
EOY Employment												
Full-time permanent	22	...	22	22	...	22	25	...	25	3	...	3
Other	...	...	...	...	...	...	...	...	...	...	...	...
Total	22	...	22	22	...	22	25	...	25	3	...	3

State Justice Institute
Justification for Program and Performance
General Administration - SJI 1

Long-Range Goal: To ensure that the provisions of P.L. 98-620, as amended, are carried out by administering a grant program which furthers the development and adoption of improved judicial administration in the State courts of the United States.

Major Objectives:

To establish a system of internal controls which ensure the efficient use of appropriated funds for the purposes intended in P.L. 98-620.

To review, analyze and summarize concept papers and applications for grant proposals and present the results to the Board of Director's within 60-90 days of submission.

To monitor and evaluate grant projects to ensure the objectives of the grants are met.

To close out grant project files within 45-60 days of the submission of the final audit.

Base Program Description: The General Administration program is subdivided into three areas, Executive Direction, Program Division, and Finance and Management Division. The Institute is a private, non-profit corporation guided by an eleven-member Board of Directors who serve without compensation. The day-to-day activities of the Institute are supervised by an Executive Director who serves at the pleasure of the Board of Directors. For 1989, the staffing level of the Institute was set at 20 positions including the Executive Director.

In Fiscal Years 1987 through 1989, the Institute received 780 concept papers seeking over $109,000,000. From these concept papers, the Institute's Board of Directors invited 315 applications for funding of projects seeking to improve the administration of justice in the state courts. From these applications, the Board of Directors has approved over 250 grants, contracts and cooperative agreements through November 24, 1989, totalling approximately $25,000,000. In FY 1990, the Institute's fourth year of operation (third full year), SJI will be experiencing the full effects of past funding cycles while administering the awards process for the FY 1990 program year. Projects funded in FY 1987, FY 1988 and FY 1989 will require monitoring by Institute staff in order to ensure that they fulfill their intended objectives.

November 30, 1989 was the deadline for the Fiscal Year 1990 SJI concept papers. On that date the Institute received another 273 concept papers requesting over $36 million in assistance. Both the number of papers received and the amount of assistance requested were higher than in any previous funding cycle.

Accomplishments and Workload: A portion of the accomplishments of the Institute are contained in the following table. A number of actual amounts are unavailable as the program cycle has not yet been completed.

					1991		
Item	1988	1989	1990	Change	Base Level	Change	Request Level
Concept Paper Reviews							
a. Actual	355	233	...		...	...	...
b. Demand	355	233	250	25	275	50	325
c. Planned	355	233	250	25	275	50	325
d. Performance Measure I	100%	100%					
e. Performance Measure II	100%	100%	100%	100%	100%	100%	100%

Note: The change of 25 to establish the 1991 base level reflects the continuation of single year funding cycles and the anticipated effect of increasing awareness of the Institute's programs. The decline in concept paper reviews from 1988 to 1989 represents the effect of completing the Round 2 1987 reviews during fiscal year 1988 (133 reviews) along with the concept papers submitted for the 1988 funding cycle.

Mr. **Smith**. We have with us the Chairman of the Board of Directors, the Honorable Clement Clay Torbert, the former Chief Justice of the State of Alabama.

Do you have a statement?

Mr. **Torbert**. Yes, sir. I have a written statement that had been sent to the Committee for its Members.

Mr. **Smith**. All right. We will insert your full statement in the record, and you may proceed however you want to.

[The statement of Judge Torbert follows:]

					1991		
Item	1988	1989	1990	Change	Base Level	Change	Request Level
Application Reviews							
a. Actual	178	125	...	...	...	...	...
b. Demand	178	125	125	12	137	25	162
c. Planned	178	125	125	12	137	25	162
d. Performance Measure I	100%	100%					
e. Performance Measure II	100%	100%	100%	100%	100%	100%	100%

Note: The application reviews from Round 2 of FY 1987 are recorded in the 1988 column to reflect the time the reviews were actually conducted. The decline in application reviews in 1989 reflects the net effect of completing the Round 2 FY 1987 reviews in FY 1988 and the expected increase in applications generated from FY 1989 concept paper submissions. The change reflects the current correlation of applications to concept papers which equals approximately 50%.

					1991		
Item	1988	1989	1990	Change	Base Level	Change	Request Level
Grants Awarded							
a. Actual	72	121	...	...	...	...	...
b. Demand	136	160	160	8	168	20	188
c. Planned	136	160	125	0	125	50	175
d. Performance Measure I	53%	75%					
e. Performance Measure II	100%	100%	78%	0%	78%	250%*	93%

Note: (Planned levels for a given fiscal year = Prior year carryover (+) current year tentative awards (-) awards not formally approved at the close of the fiscal year). The additional resources will allow the Institute to further accelerate the review and award process.

Because a number of grantees did not resolve issues presented by the Institute before the end of the fiscal year, 69 grants were carried over for award in FY 1989. In FY 1988 the Institute awarded the remaining 18 grants from Round 1 of 1987, 36 grants from Round 2 of 1987 and 18 grants from the 1988 funding cycle.

Approximately 39 tentative 1989 awards remained to be resolved at the end of fiscal year 1989. At the time of this submission, 28 of these awards have been made and negotiations regarding the remaining 11 awards should be finalized in the next several weeks. Because Board approvals of grants will continue to occur earlier in the fiscal year, the trend toward fewer tentative awards carried forward to the next fiscal year is expected to continue to some extent; however, additional resources are required to meet the significant increase in workload demands.

					1991		
Item	1988	1989	1990	Change	Base Level	Change	Request Level
Grants Monitored							
a. Actual	75	160	...	...	...	...	...
b. Demand	75	160	241	0	241	50	291
c. Planned	75	160	241	0	241	50	291
d. Performance Measure I	100%	100%					
e. Performance Measure II	100%	100%	100%	0%	100%	100%	100%

Note: During 1989 the grants awarded from 1987 and 1988 required monitoring. Activity from grant awards made in 1989 also added to the demand for monitoring during the last quarter of the fiscal year. For 1990 the Institute will be monitoring projects funded in 1987, 1988, 1989 and 1990. Although the Institute is in the process of closing out completed projects, many projects span fiscal years. (Planned levels for 1991 include all active grants through 1991 less an adjustment for grants closed out during 1991).

Decision Unit Funding Level Requirements
(Dollars in Thousands)

Organization State Justice Institute   Decision Unit SJI 1 General Administration

	1988	1989	1990	1991			
				Base Level		Request Level	
				Change	Cum.	Change	Cum.
Resource Requirements							
BUDGET AUTHORITY	892	1,177	1,550	87	1,637	235	1,872
OUTLAYS	865	1,155	1,520	85	1,605	231	1,836
Appropriated Positions	14	20	22	0	22	3	25
FTE Workyears	14	16	21.5	.5	22	3	25

Program Changes: An increase of three positions, three FTE workyears and $235,000 is requested for 1991 for General Administration. This increase will assist the Institute in accomplishing its objectives in the financial and programmatic reviews of concept papers and applications, grant monitoring, evaluation, and the publication and dissemination of materials of importance regarding State judicial systems.

This request will allow the Program Division and the Finance and Management Division to monitor the financial activities of an estimated 290 grants by 1991. Many of these grants will span more than one fiscal year and grant files cannot be closed until audit reports are completed. Financial and programmatic grant monitoring is critical to ensure the effective use of appropriated funds.

Decision Unit Funding Level Requirements
(Dollars in Thousands)

Organization State Justice Institute | Decision Unit SJI 2 Grant Program

	1988	1989	1990	1991 Base Level Change	1991 Base Level Cum.	1991 Request Level Change	1991 Request Level Cum.
Resource Requirements							
BUDGET AUTHORITY	10,088	9,803	10,311	412	10,723	2,405	13,128
OUTLAYS	1,905	7,581	10,936	(901)	10,035	228	10,263
Appropriated Positions	...	...	...	...	...	...	...
FTE Workyears	...	...	...	...	...	...	...

Note: The decrease in outlays from FY 1990 to FY 1991 reflects the effect of the two funding rounds from FY 1987. Because the Institute became fully operational midway through that fiscal year grant awards were made in two rounds. The second round of awards were actually completed in FY 1988 and outlays form FY 1987 funds occurred in FY 1988, FY 1989 and will be completed in FY 1990. The FY 1991 outlay figure reflects the outlay cycle associated with the current annual award process of one funding round per fiscal year.

Program Changes: An increase of $2,405,000 is requested to expand the programs of the Institute to the level of $15,000,000 which represents the authorized amounts for FY 1989, FY 1990, FY 1991 and FY 1992 (Pub. L. 100-690, as revived by Pub. L. 101-162). Since its inception, the Institute has received 780 concept papers seeking over $109,000,000. From these concept papers, the Institute's Board of Directors invited 315 applications for funding of projects seeking to improve the administration of justice in the State courts. Given the large number of requests, the award process has been extremely competitive. Regrettably, a substantial number of those applicants seeking funding have been denied assistance for promising projects of national significance.

This request carries with it the potential to bring the total additional resources devoted to State and local court systems to over $3,500,000 when coupled with funds dedicated to the projects by the States due to the 50% matching requirements of the authorizing legislation.

State Justice Institute

Summary of Requirements by Object Class
(Dollars in thousands)

	1989 Actual		1990 Estimate		1991 Base		1991 Request		Increase/Decrease	
	Work-years	Amount	Work-years	Amount	Work-years	Amount	Work-years	Amount	Work-years	Amount
Object Class										
11.0 Personnel compensation	17	$624	20	$860	22	$936	25	$1,034	3	$98
12.0 Benefits	...	81	...	182	...	190	...	233	..	43
21.0 Travel & Transportation of Persons	...	97	...	99	...	103	...	123	..	20
22.0 Transp. of Things	...	1	...	2	...	2	...	2	..	0
23.0 Rent, Communications & Utilities	...	172	...	187	...	195	...	195	..	0
24.1 Printing & Reprod.	...	43	...	42	...	44	...	44	..	0
25.0 Other Services	...	60	...	78	...	81	...	81	..	0
26.0 Supplies & Materials	...	25	...	30	...	31	...	42	..	11
31.1 Equipment	...	55	...	70	...	55	...	118	..	63
Total, General Administration	17	1,158	20	1,550	22	1,637	25	1,872	3	235
41.0 Grants, Subsidies & Contributions	...	13,459 [1]	...	11,900 [1]	...	10,723	...	13,128	..	2,405
Total Obligations	17	14,617 [1]	20	13,450 [1]	22	12,360	25	15,000	3	2,640
Relation of obligations to outlays:										
Obligated balance, start of year......		6,668		12,547		13,541		13,541		
Obligated balance, end of year........		12,547		13,541		14,261		16,442		
Adjustments in expired accounts....		0		0		0		0		
Outlays..........................		8,738		12,456		11,640		12,099		

[1] Grant obligation estimates for FY 1989 and FY 1990 include net amounts of $7,393,000 and $5,852,000, respectively, to reflect unobligated balances carried forward. The amount appropriated in FY 1989 was $10,980,000 and the amount appropriated in FY 1991 was $11,861,000. The FY 1991 columns reflect obligations in terms of new budget authority to facilitate analysis of the base programs and requested increases.

State Justice Institute

Salaries and Expenses

Analysis of Change

(Dollars in Thousands)

	Perm. Pos.	Work-Years	Amount
1990 appropriation	22	21.5	$11,861
Adjustments to base:			
Uncontrollable Increases:			
Annualization of Permanent Reprogramming	...	0.5	27
Payroll Adjustments	...	...	57
Rent	...	...	4
General Pricing Level Adjustment (4.0% x nonpersonnel expenditures excluding grant obligations)	...	...	17
General Pricing Level Adjustments (4.0% x Grant Obligations)	...	...	412
Total, uncontrollable increases	...	0.5	517
Nonrecurring decreases	...	...	(18)
1991 Base	22	22	12,360
Program Increases	3	3	2,640
1991 Request	25	25	15,000

State Justice Institute

Chairman
C.C. TORBERT, JR.
Former Chief Justice
Supreme Court of Alabama
Montgomery, Alabama

Vice Chairman
RODNEY PEEPLES
Judge, Second Judicial Circuit
Barnwell, South Carolina

Secretary
JOHN F. DAFFRON, JR.
Judge, Twelfth Judicial Circuit
Chesterfield, Virginia

Treasurer
LARRY P. POLANSKY
Executive Officer
District of Columbia Courts
Washington, D.C.

JOSEPH W. BROWN
Jones, Jones, Close and Brown, Chtd.
Las Vegas, Nevada

JAMES DUKE CAMERON
Justice, Supreme Court of Arizona
Phoenix, Arizona

RALPH J. ERICKSTAD
Chief Justice
Supreme Court of North Dakota
Bismarck, North Dakota

E GRADWOHL
County Court
Judicial District
coln, Nebraska

DANIEL J. MEADOR
Professor of Law
University of Virginia Law School
Charlottesville, Virginia

SANDRA A. O'CONNOR
States Attorney of Baltimore County
Towson, Maryland

DAVID I. TEVELIN
Executive Director

RICHARD VAN DUIZEND
Deputy Director

TESTIMONY OF THE HONORABLE C.C. TORBERT, JR.

Before the U.S. House of Representatives
Committee on Appropriations
Subcommittee on Commerce, Justice, and State,
the Judiciary and Related Agencies

February 6, 1990

120 South Fairfax Street
Alexandria, Virginia 22314 (703) 684-6100

Good afternoon, Mr. Chairman. I am C.C. Torbert, Jr., Chairman of the Board of Directors of the State Justice Institute. I appreciate the opportunity to appear before you today on behalf of the Institute.

In my testimony, I would like to present a justification for our appropriation request, and bring the Subcommittee up to date on the steps the Institute has taken to fulfill the mission established for it by Congress.

For Fiscal Year 1991, the State Justice Institute is requesting a total of $15,000,000, 25 permanent positions, and 25 workyears. This request represents an increase of $2,640,000, three positions, and three workyears over the 1990 appropriation level, including annualization of the permanent reprogramming approved by this Subcommittee last month. The requested increase would support expanded levels of effort that we believe are necessary to fulfill the Institute's mission. It also would enable SJI to meet Congress' expectations by bringing its resources to the amount authorized by Congress in Public Law 100-690.

I would like to briefly present the details of the request and our justification for seeking an increase over current funding levels.

GENERAL ADMINISTRATION

In January, 1990, this Subcommittee approved a permanent reprogramming request that enabled the Institute to add two positions, and the necessary FTE workyears, to bring its staff to a total of 22. We greatly appreciate your approval of that request. The Institute's FY 1991 request for General Administration is $1,872,000, which includes an increase of $235,000, and three additional positions and FTE workyears.

Currently, each Program Manager is responsible for monitoring an average of 27 grants. In addition, Program Division staff are reviewing 273 concept papers and will be reviewing a projected 130 grant applications later in FY 1990. The program staff's workload is heavy compared to the number of grants managed, and reviews performed, by staff of other grant agencies with which we are familiar. I must also note that, without additional Program Managers, the Executive Director and Deputy Director of the Institute will be required to continue monitoring a substantial number of projects to help program staff cope with the workload. The Board of Directors believes that it is highly unusual for the Executive Director and Deputy Director of a grantmaking organization to manage individual grants. I raise this point simply to dramatize the need for additional program staff.

Each of the Institute's three financial monitors (including the Chief of the Finance and Management Division) are responsible for a minimum of 53 active projects. Finance and Management Division staff will also be reviewing the 130 applications expected and continuing their day-to-day management of the Institute's internal and external financial operations.

Our present staffing plans, as set forth in the budget detail, are to hire a Program Manager and a support person for the Program Division, and a Financial Grant Manager for the Finance and Management Division. This modest increase in staff would significantly assist the Institute in day-to-day financial administration and the careful monitoring of its grantees' performance.

It is also important for the Subcommittee to note that the additional resources requested are needed to respond to the increasing demand for monitoring activity which is resulting from past grant awards, not the pending request for additional grant funds.

GRANT PROGRAM

The Institute is requesting $2,405,000 to increase its program budget to $13,128,000 which, when combined with the $1,872,000 sought for administration, brings our total request to $15,000,000, the amount of funding authorized for FY 1991 (Pub. L. 100-690). The requested increase in grant funds is necessary to respond to the continuing growth in both the number of quality requests for SJI grants and the amount of funds requested.

November 30, 1989 was the deadline for the FY 1990 SJI concept papers. On that date, the Institute received 273 concept papers requesting over $36 million in assistance. Both the number of papers received and the amount of assistance requested were higher than in any previous funding cycle. In FY 1989, the Institute received 233 concept papers requesting approximately $31 million in grants; both totals are approximately 15% less than the respective totals for FY 1990.

The requested program funding level carries with it the potential to provide up to another $6,564,000 to State and local court systems due to the 50% matching requirements of the authorizing legislation.

I would also like to note, as I have each time I have appeared before you, that our ability to maintain orderly funding cycles that permit full deliberation of proposals is possible only by virtue of a provision in our appropriations legislation that assures that our funds will continue to be available until expended, without regard to the expiration of the fiscal year for which they were appropriated. This provision is essential to our ability to administer an orderly, responsible, and fair grant program without unnecessary speed or risk of waste. We thank you for your great contribution to this process and respectfully reiterate the need for such a provision in this year's appropriation legislation as well.

ADMINISTRATION POSITION

The Bush Administration's FY 1991 budget proposes no new appropriations for SJI. On November 30, 1989, I wrote to the Office of Management and Budget on behalf of the Institute's Board of Directors, appealing their intention to request no appropriations from Congress. In that letter, I strongly encouraged their support, noting that it would acknowledge the wisdom of Congress and the President in enacting an increased appropriation for the Institute in FY 1990; the anticipated nominations by the President Bush of eight members of the Board of Directors in early 1990; and the awarding of grants over the past three years for high quality projects that meet the most important needs of the State judiciaries. Despite these arguments, the Administration declined to change its position.

It is my earnest hope that sometime in the next three years we might be able to persuade the Administration that the benefits we provide the courts of this nation and the public at large -- in the form of both "better justice" and greater efficiency -- far exceed the relatively modest financial costs of the Institute's programs. I also hope that we might persuade the Office of National Drug Control Policy (ONDCP) to include a role for the Institute in next year's National Drug Strategy. Our staff has initiated a dialogue with Mr. Bennett's staff to that end and I hope I can report to this Subcommittee next year that SJI has been enlisted in the Administration's war on drugs.

BACKGROUND

In order to give the Subcommittee a better perspective on SJI's budget request, please allow me to give you a brief overview of the Institute's short, but eventful history.

Statutory Mission

SJI was created by Congress in October, 1984 to "further the development and adoption of improved judicial administration in State courts." 42 U.S.C. 10702(a). The Institute did not, however, begin to become operational until the President appointed a Board of Directors in the fall of 1986. The Institute is authorized to award grants, cooperative agreements, and contracts for the purpose of improving the administration and quality of justice in the State courts, assuring the public ready access to a fair and effective system of justice, fostering coordination and cooperation between the State and Federal courts, and encouraging education for State court judges and court personnel. Its program covers civil as well as criminal jurisdiction, and both trial and appellate courts.

SJI is not an agency of the Federal government; by statute, it is established as a non-profit organization outside the three branches of Government. 42 U.S.C. 10702(a) and 10704(c)(1).

The Board of Directors is very aware that the impetus to create the Institute originated in the Congress. In particular, we must especially recognize your strong and constant leadership, Chairman Smith. You have been very instrumental in persuading your colleagues that the Institute can play an important role in the American legal system by greatly enhancing the quality of justice in the State courts; strengthening the public's confidence in the ability of those courts to dispense justice; and developing better ways of allocating caseload burdens among the Federal and State courts.

The Board of Directors

The Institute's Board of Directors is appointed by the President. By law, the Board must consist of six State court judges, one State court administrator, and four members of the public. Ten of the eleven positions on the Board are filled; one public member slot is vacant.

The current members of the Board of Directors are, in addition to myself:

Rodney A. Peeples, Vice-Chairman, Resident Judge, Second Judicial Circuit, South Carolina;

John F. Daffron, Jr., Secretary, Judge, Chesterfield, Virginia Circuit Court;

Larry P. Polansky, Treasurer, Executive Officer, District of Columbia Courts;

James Duke Cameron, Justice, Supreme Court of Arizona;

Ralph J. Erickstad, Chief Justice, Supreme Court of North Dakota;

Janice Gradwohl, Judge, County Court, Lincoln, Nebraska;

Daniel J. Meador, Professor of Law, University of Virginia Law School;

Sandra A. O'Connor, States Attorney of Baltimore County, Maryland; and

Joseph W. Brown, Esq., of Jones, Jones, Close, and Brown, Las Vegas, Nevada.

Grant Program

In Fiscal Years 1987 through 1989, the Institute received 780 concept papers seeking over $109,000,000. From those concept papers, the Institute's Board of Directors invited 315 applications for funding of projects seeking to improve the administration of justice in the State courts. From those applications, the Board of Directors has approved over 250 grants, contracts and cooperative agreements, totalling approximately $25,000,000. As noted earlier, the Institute received another 273 concept papers requesting over $36 million in assistance in FY 1990.

Special Interest Areas

On the basis of its three years of experience, the Board of Directors believes there is now a greater need than ever for increased funding from SJI to those working in and serving the State courts. This belief is supported by information coming from a variety of independent sources: the concept papers and applications submitted to the Institute; the problems and potential solutions demonstrated by the Institute's projects; and the results of surveys of judges, court professionals, and other experts undertaken in conjunction with a "Future and the Courts" Conference to be convened by SJI in May, 1990.

The most important areas of need identified by these sources include:

The Relationship Between the Federal and State Courts

In every year of its existence, the Institute's Grant Guideline has designated projects that would "improve the administration of justice in the State courts and at the same time . . . reduce the work burdens of the Federal courts" as being of "special interest" to the Institute. SJI has funded a number of projects that are expected to provide a diverse array of benefits to the Federal courts.

Several projects are intended to reduce the workload burdens of the Federal courts, others would demonstrate innovative procedures and practices that could result in increased efficiency in both the State and Federal courts, and still others support programs to educate and inform Federal judges and other court personnel. These grants include:

- An American Bar Association study to seek methods to improve Federal habeas corpus review of State court convictions that result in the imposition of the death penalty ($136,275);

- Two awards to the National Center for State Courts to support a project evaluating the impact of possible changes in Federal diversity jurisdiction on the State and Federal courts ($107,502 in total);

- An American Law Institute study of complex litigation in both State and Federal courts to improve the handling of multiparty, multiforum cases ($150,000);

- An award to the Rural Justice Center to develop a "State Trial Court Education Program on Farm Credit Issues." This detailed training curriculum will benefit both State and Federal judges by providing training on issues ranging from attaching government program payments (e.g., PIK) to dealing with conflicting orders issued by a Federal Bankruptcy court and a State court through a foreclosure proceeding ($139,869);

- A study by the Institute for Economic and Policy Studies of the factors that motivate litigants to choose a Federal or State forum in cases of concurrent jurisdiction ($113,490);

- Two awards to help the Federal Courts Study Committee address issues relating to abstention, removal, and pendent jurisdiction ($10,000 in total); and

- A field experiment conducted in both Federal and State courts that studies the impact of juror notetaking and question asking on the courts and litigants, by the American Judicature Society ($111,074).

Other grants help the State courts implement Federal laws. These projects include:

- An award to the Center for Policy Research for evaluating the impact on litigants and the courts of the three major types of child support guidelines that have been adopted by the States pursuant to the Federal Child Support Enforcement Act ($93,076);
- A grant to the National Council of Juvenile and Family Court Judges for a training and technical assistance project entitled "Making Reasonable Efforts to Preserve Families" which is expected to result in improved compliance with the Federal Adoption Assistance and Child Welfare Act ($159,010);
- A study to be conducted by Professor Stephen Steinglass of Cleveland State University on the impact of litigation conducted in State courts under the Federal Civil Rights Act (42 U.S.C. 1983) on both the State and Federal courts ($33,704); and
- An examination of the impact of Federal Rule of Civil Procedure 11 (authorizing sanctions for frivolous

claims, defenses, and motions) on a Federal and State court in Washington State by the Gonzaga University Law School ($58,000).

Substance Abuse

In response to the needs expressed by the judicial leaders of the States most burdened by drug cases, the Institute's FY 1990 Grant Guideline includes a "Substance Abuse" Special Interest category that seeks to address the most critical needs identified by those States. Among them are:

* the development of profiles, guides, risk assessment instruments and other tools to assist judges in making release, dispositional and treatment decisions in cases involving substance-abusing persons;

* the evaluation of the effectiveness of drug and alcohol treatment programs administered by the courts;

* the development and evaluation of innovative case management techniques for handling the increasing volume of substance abuse-related cases fairly and expeditiously; and

* the presentation of conferences and other forums to educate judges, probation officers, and other court personnel about drug and alcohol abuse, and to discuss the appropriate role of the courts in addressing those problems.

As noted above, the Institute has initiated discussions with ONDCP about a role for SJI in the FY 1991 National Drug Strategy. We have also contacted the Office of Substance Abuse Prevention about better ways to coordinate our programs, and the Board has authorized staff to negotiate with the Bureau of Justice Assistance in the Department of Justice about co-sponsoring a National Conference on Drugs and the Courts in 1991.

Current SJI projects in this area include:

- Two grants to the American Bar Association for projects entitled "Substance Abuse: Enhancing the Courts' Ability to Respond" ($181,865) and "Parental Substance Abuse: Helping Courts Protect Children" ($145,938);
- Grants to the Alabama Administrative Office of the Courts to conduct and evaluate the "Alabama Alcohol and Drug Court Referral Officer Program" ($240,000 in total);
- Grants to the El Cajon, California Municipal Court for a "Substance Abuse Assessment and Intervention Program ($220,000 in total);
- An award to the National Council of Juvenile and Family Court Judges to support the "Judicial Response to Alcohol and Drug Problems Training Project" ($192,681); and

- An interagency agreement with the Bureau of Justice Assistance to support a conference convened by the Washington Area Council of Governments to bring together judges from every jurisdiction in metropolitan Washington to focus on common problems and potential means of coordination to combat the drug cases overwhelming their courts ($27,850).

Families in Crisis

It is clear from the findings of projects already in progress that the State courts need greater help in designing and implementing innovative solutions to respond to the needs of families enmeshed in the courts. Regrettably, it is increasingly common today to find families where one or both parents are defendants in cases in criminal court, e.g., on charges of spousal or child abuse; their children are involved in separate juvenile court proceedings; and both parents and children are parties to family court matters, e.g., divorce, child support, visitation, or neglect cases. All too often, one judge does not even know of the existence of the matters pending in other courtrooms and many times, social and personal information about family members is collected repetitively, and inconsistent or conflicting dispositions of related cases occur.

The importance of this problem to the State courts and the more fundamental, underlying problems of family deterioration in the United States should not be underestimated. The preliminary results of the "Future and the Courts" Conference surveys identified the continuing breakdown in family structure as the primary problem likely to affect American State courts over the next 30 years. A Symposium on Families in the Courts, convened by four major court organizations and supported by SJI, identified a number of potential ways to address these problems responsibly and effectively. The "Future and the Courts" Conference should identify others, but solutions will entail further research, demonstration, and evaluation, all of which the Institute can and should support.

Other special interest areas for Fiscal Year 1990 include the application of technology in the courts, evaluation of alternative dispute resolution procedures, improved treatment of victims and witnesses, court delay reduction, the court related needs of the elderly and disabled persons, and the future of the courts.

The critically important fact underlying each of these issues and the other subjects comprising the Institute's Special Interest categories is that the State courts are where over 95% of the cases litigated in this country are filed. The State court is, accordingly, the forum where Americans are most likely to form their impressions of justice, both as an abstract notion, and as a personal experience. Because of the Federal Government's fundamental interest in assuring that the promises of the Constitution and Federal law are delivered to and understood by the American people, Congress has an important interest in supporting the Institute's efforts to translate those promises into reality.

The Grant Process

The review and award of SJI grants is governed by the Institute's annual Grant Guideline. The final FY 1990 Grant Guideline was published in the Federal Register on October 17, 1989. Copies have been distributed to the Subcommittee today.

SJI grants are awarded on a competitive basis. All applicants must first submit a concept paper to the Institute which is evaluated on the basis of the following criteria: the demonstration of need for the project; the relationship of the project to the Institute's "special interest" categories; the soundness and innovativeness of the approach described; the benefits to be derived from the project; and the reasonableness of the proposed budget. The Board invites the most promising concept papers back as formal applications. As noted above, the mailing deadline for FY 1990 concept papers was November 30.

Applications are rated on the same criteria as concept papers as well as the following factors: the strength of the proposed management plan; the qualifications of the project's staff; the soundness of the evaluation design; the products resulting from the project; and the demonstration of cooperation and support of other affected agencies. The Board of Directors has the ultimate responsibility for deciding which applications will be approved as grants. The Board will meet in July to make the Fiscal Year 1990 grant awards.

Thank you again for the opportunity to appear on behalf of the Institute. I hope my testimony demonstrates that SJI is fulfilling the mandate of Congress and making a substantial contribution to the improved delivery of justice by the State and local courts of this nation. I would be happy to respond to any questions you may have about SJI or the budget request.

Mr. **Torbert**. All right.

One slight correction as to my status right now. I am Chairman of the Board and have been chairman since its inception in 1986. I am no longer the Chief Justice of Alabama.

Mr. **Smith**. Oh, I see.

Mr. **Torbert**. I still have a very fond feeling towards the state judiciaries and the charge that Congress had delivered to the State Justice Institute.

Mr. Chairman, I have with me Dave Tevelin, who is the Executive Director; Dick Van Duizend, who is the Deputy Director; and other staff members whose names I won't go into.

Our request this year is for $15 million, and I like it because it's simple to make a presentation for; it's the amount of the authorization. We would like to, for the first time, discuss with the committee our request for some additional personnel that I will mention in just a few minutes: 25 people for this institution and 25 workyears.

GRANTS

The request is an increase of $2.6 million, and three positions. Now, let me discuss it in two areas. We have two divisions in the organization. One is called the program division. We have five program managers, each of whom have some 27 grants to monitor and other materials they have to review, because we have 273 concept papers. The concept papers came in as of November 30, 1989, and the Board will act upon these requests in March.

We anticipate that we will invite—of those 273 papers, about 130 grant applications. My pitch to this committee is that at the present time, the Director, as well as the Deputy Director, both have to review concept papers and applications and monitor grants.

And it's my understanding from looking at other agencies that we are overloaded and thus we request three positions, two of which would be in the program division, and one of which would be in the finance division.

The finance division has three members, each monitoring some 53 active projects. They also would be looking at the 130 grant applications that we anticipate. We are not anticipating more business by this request for three additional people. We need those positions for the work that is ongoing.

Now, that is my request on behalf of the Board and the Institute. Let me give you this little summary of the history of the Institute.

You will recall that this committee has taken this Institute under its wings by initial funding of it in fiscal year 1986. We were not organized in time to use any of the 1986 money. We were organized in September of 1986, and the fiscal year 1986 money expired September 30. So no funds were spent from the first year appropriation.

Beginning in fiscal year 1987 and up to the present time, we have had about $109 million in requests for grants through concept papers and applications. As we hone these down, we have actually spent about $25 million for some 250 grants. That is the short history of this Institute.

IMPACT OF DRUG CASES ON THE STATE COURTS

There is a greater need than ever before for this Institute to discharge the mandate of this Congress, and a lot of it revolves around the drug problem as it relates to the courts.

Now, I hesitate to make this statement because it's somewhat critical, but I want to be fair about it. We are spending funds that this committee, or Congress, has given us as a part of its appropriation based upon the antidrug programs.

Mr. SMITH. Four million last year.

Mr. TORBERT. Four million dollars. The Congress, the Nation, the courts, sociologists, public policy makers, academia, everybody is deeply concerned with the drug and crime-related problems, and we are beginning to address those.

What is missing, Mr. Chairman, and members of the Committee, is a recognition that where the action is with respect to drug-related cases is at the state court level. And the Congress has not yet seen fit to address it at that level, and I feel that our State Justice Institute represents the state courts to the extent of calling it to the attention of the Congress. That is where the action is.

Mr. SMITH. Well, other than in this way, how would the Congress address it at the state court level?

Mr. TORBERT. Well, one way is to charge this Institute with the things that we are doing now, and that is to study the innovative methods of handling drug-related problems.

Mr. SMITH. Well, that is what the $4 million was for.

Mr. TORBERT. And that is what we are currently in the process of spending the money for, risk assessment of how to handle the drug-related workload, evaluation of the effectiveness of drug and alcohol treatment programs, development and evaluation of innovative case management.

The drug cases are simply going to eat up the state court judicial system unless we learn how to handle them. We think that this Institute is the appropriate one to address this need from an educational standpoint, from a research standpoint, and from a demonstration project standpoint. It is necessary to begin to address the problems so that we have some time left over for normal civil litigation and other matters for courts. I use this illustration only to emphasize first, the need; and second, our willingness to enter the field insofar as state courts are concerned.

Mr. SMITH. When are we going to see some results from this $4 million? Are you going to have some specific recommendations and conclusions; and if so, what are you going to do with them?

Mr. TORBERT. I think we will. We have before us right now 24 concept papers that are requesting four or five million dollars. So we are just beginning to address this need.

Our concept paper deadline was November 30, 1989. We will meet in March to consider these papers and applicants will come back in during May. We are talking about a year plus before you will see anything. But also, we have, at least on the burner, a cooperative program with the Department of Justice and the BJA——

Mr. TEVELIN. Correct.

Mr. TORBERT [continuing]. To have a national drug symposium conference in 1991. Hopefully, by that time, some of these programs will be in being, and we can discuss the results.

I read in a Futures publication that by the year 2000, if the public policymakers of our several states and nation will address the drug problem, we will have a handle on controlling drugs in this country.

Mr. SMITH. Well, then too, some people tend to divide drug problems into rehabilitation versus law enforcement, which is far too simple. And the purpose of my question is this: It goes back to when I was a prosecutor. The most effective rehab programs we had were when somebody was on parole and they had to perform. I don't know why that cannot apply to the drug situation, too.

These voluntary rehab programs, I know one of them that I went to look at—the cost, the average cost of signing up for the 30-day program for those who completed the program and stayed off the drugs for three years was $43,000 apiece. It was a volunteer program. Half of the participants didn't even complete the 30 days. Now, if they were in an involuntary program and they have got to perform, you get a little higher percentage than that. And so what I would assume that you are going to do with this $4 million, in addition to looking at the law enforcement and strictly the court side, you are going to look at proposals and how the courts fit into the rehab end, too; right?

Mr. TORBERT. That is exactly right. And I am not sure, really, in my own mind, where the emphasis is. I think it's got to be a very broadly based analysis of various and sundry programs.

I do know that in my home state, while I was Chief Justice, we started off our—what we call the Court Referral Program in DUI cases, and they now have a grant for that. But the idea was, under court supervision, you would evaluate your DUI cases, and you would put them under very, very close supervision. But you have the hammer of the power of the judge standing behind your court referral officer, and it has been unusually successful.

There is a similar program in California at the present time. That is the sort of thing that, in my judgment, the courts have got to move into in solving the problem. I am not sure about the merits of voluntary versus the mandated programs; but I am sure, at least in my mind, of the need for very close court supervision of these treatment methods.

Mr. SMITH. Of course, you don't get into voluntary ones anyway.

Mr. TORBERT. Well, some of the juvenile courts do, but by and large, you are exactly right.

Mr. SMITH. Oh, yes, juvenile courts, but for the others, it's an involuntary program.

SPECIAL INTEREST AREAS

Mr. TORBERT. The other thing that I mention—only two more points and then I will respond to any further questions, please, sir.

Let me just mention that each year we decide on special interest areas, to be published in the Federal Register. That causes academia, courts, and so forth to respond by concept papers.

The other special interest categories that we have for this fiscal year include; the application of technology in the courts; the evaluation of alternative dispute resolution procedures, which is a pretty hot topic all over this country; the improved treatment of victims and witnesses; court delay reductions; and the court-related needs of the elderly and disabled persons. There seems to be a very, very great need out there based upon the response we receive.

Finally, we are sponsoring a conference in May of this year with the American Judicature Society on the future of the courts. Incidentally, the Congress is having the Federal Court Study Committee discuss and make reports on the future. Our conference would be related mostly to state courts.

I would like on behalf of the Institute, to request, as you have in the past, to make the appropriated funds available, on a no year basis so that we can better manage the award and the monitoring of grants. And with that, again, for the fourth year, we deeply appreciate the interest of this committee in our organization and its support.

Mr. **Smith**. Have you revised your grant guidelines, or are they the same since the emphasis on drugs is now greater.

Mr. **Torbert**. Yes, sir, last year we added substance abuse as a special interest area. Revision of the guidelines is an ongoing process; and just for the general information of the Chairman, we really have a one-cycle grant award program. For instance this year we published the new guidelines, and the concept papers came on November 30.

The staff is now reviewing all of those concept papers. and I remember very well, the Chairman said last year to reduce paperwork if possible, and that is the reason we did the short concept papers. Then in March of this year, the Board will meet and we will decide on the basis of merit, which concept papers to invite as applications for grants. In July of this year, we will meet again to make the award of grants. So it's a sifting down process, and it works out this way based upon history: About $1 of every $4 that is asked for collectively is awarded. One hundred nine million dollars requested in applications has resulted in the award to date, of $25 million.

ADMINISTRATION POSITION

Mr. **Smith**. I notice the Administration did not include you in their fiscal year 1991 budget.

Mr. **Torbert**. Yes, sir. That seems to be a part of the history of this Institute, and it's always been a very curious thing to me because the only thing that I can possibly think of is from a philosophical standpoint, why the Executive branch would not put us down for some fair share in the budgetary process. It's strictly due to money because otherwise, from the standpoint of however you want to characterize it, state courts or states accepting more responsibility, tending to their own business, fit in with the Administration philosophy, so it's got to be money.

BOARD OF DIRECTORS

Mr. **Smith**. How many vacancies do you have on the Board of Directors?

Mr. **Tevelin**. Just one vacancy.

Mr. **Torbert**. Yes. We have only one vacancy; but here again, this is rather interesting. The terms of eight Board members have expired, and they are holding over until their successor is qualified and confirmed. So we are in the midst of a transition in terms of board appointments.

Mr. SMITH. Do you have any word on when the nominations are going to be made or when they are going to be filled?

Mr. TEVELIN. It appears to be pretty much a shifting deadline. The latest we have heard is the end of February, and I have reason to believe that the FBI background investigations are in progress on just about every one of those. My understanding is they are going to nominate somebody for each of the eight positions. Some possibly will be incumbents, some will be new.

Mr. SMITH. I see.

Mr. TORBERT. So you may have a change in the makeup of the Board to the extent that you will have a majority. But it is very carefully done in terms of the statute. The Congressmen are very careful. You have got Judicial members and they are nominated by the Conference of Chief Justices, you have public members and they are equally divided between political parties. It is a very neat organization in that sense.

Mr. SMITH. That didn't keep them from having the litmus test in the last administration.

Mr. TORBERT. You are exactly right about that. Isn't that interesting? I passed the litmus test, I am very pleased to report, and I was renominated and reconfirmed last year. So I am an old head in a very short period of time, and I enjoy the work very much. I told Chief Judge Markey, who is going to testify before you, that you have a great feeling of satisfaction, of doing something. It is strictly pro bono for me, but it makes you feel good if you are accomplishing something.

FEDERAL DIVERSITY JURISDICTION

Mr. SMITH. Well, it is an important mission. It is very difficult for us in the legislative branch to explain why we need to spend money on state courts, but anyway, it is an important mission. And I think it it going to produce some results in the long run, even if the only result it produced was an acceptance by state courts to accept diversity of citizenship, that alone would be worthwhile.

Mr. TORBERT. Absolutely. And of course where most of the American citizens get that taste of justice is at the state court level; Over 95 percent of all the litigation. As Congress moves to transfer diversity, if it takes place, it is going to have an impact on state courts. Right now, though—we have got these studies going to study the impact of diversity, and a study to evaluate how the state courts are handling the 42 USC 1983 actions that are being more and more prevalent.

Mr. SMITH. Has the law passed last year that increased the new summit had an impact or can you tell yet?

Mr. TEVELIN. We commissioned a study by the National Study for State Courts to study abolishing diversity, raising it to $50,000, and the in-state plaintiff changes. In a few states it makes a significant difference, in some states it doesn't make any difference. I think the $50,000 is still too new to really see if those projections hold up or not, but there will be some impact on some states at least.

Mr. SMITH. Okay. Well, we will provide some questions for the record.

Thank you.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Smith

FY 1990 Drug Funding

QUESTION 1: In fiscal year 1990, approximately one-third of your total appropriation was funded through the drug provisions of the Transportation Appropriations Bill, which targeted funding toward the growing crime and drug crisis nationwide.

a. Have the grant proposals submitted to the Institute this fiscal year reflected the impact of this crisis on our State and local courts? Could you provide some examples of any proposals you are considering that relate to this issue?

ANSWER: The concept papers submitted for consideration in fiscal year 1990 have clearly reflected the concern of the nation and the courts about the proliferation of drug abuse and the difficult task of addressing this scourge. Twenty-one of the concept papers received by the Institute were classified as falling within its Special Interest category on Substance Abuse, a substantial increase over previous years. A complete list of the Substance Abuse papers is contained in Attachment 1.

Many other proposals, such as those submitted under the Reduction of Litigation Expense and Delay, Enforcement of Court Orders, Application of Technology, and Education and Training Special Interest categories, as well as those submitted as Programs Addressing A Critical Need of a Single State or Local Jurisdiction would also fall within the scope of the Transportation Appropriations Bill's direction to "assist States in improving their court systems to allow them to handle the growing drug and crime-related caseload."

b. Were your 1990 grant guidelines revised or extended to reflect an emphasis on the drug emergency?

ANSWER: Yes. In recognition of the drug crisis and its impact on the courts, the Institute's Board of Directors substantially expanded the Special Interest category on Substance Abuse for Fiscal Year 1990. The FY 1990 Guideline invites proposals on:

> The development and testing of profiles, guides, risk assessment instruments and other tools to assist judges in making release, dispositional and treatment decisions in cases involving substance-abusing persons;
>
> the development and evaluation of innovative case management techniques for handling the increasing

volume of substance abuse-related cases fairly and expeditiously; and

the evaluation of the effectiveness of innovative drug and alcohol treatment programs that are administered directly by the courts or through contracts negotiated between the service providers and the courts.

The Guideline also retains the language from the fiscal year 1988 Substance Abuse Special Interest category that invites papers on "the planning and presentation of conferences, seminars, or other forums for judges, probation officers, caseworkers and other court personnel to examine court-related issues concerning drug and alcohol abuse, and to discuss the appropriate role of the courts in addressing the problem of substance abuse."

c. Might any of the proposals you have reviewed in this category provide benefits for the Federal judicial system as well? Please provide details for the record.

ANSWER: Although it is too early at the concept paper stage to answer this question definitively, several Substance Abuse papers show promise for benefitting the Federal courts as well as the State courts. For example, the Crime and Justice Research Institute, in conjunction with the Philadelphia courts, is proposing to conduct a re-examination of that jurisdiction's bail guidelines in light of the influx of drug-involved offenders (C-90-031); the American Bar Association Criminal Justice Section has proposed a project to develop "Strategies for Courts to Cope with the Caseload Pressures of Drug Cases" (C-90-061); the National Center for State Courts has requested support to examine various procedures being used to permit felony drug cases to be heard by limited jurisdiction courts (C-90-125); and the Education Development Center, Inc. is seeking funds to develop a benchbook on "Effective Treatment for Drug-Involved Offenders" (C-90-173).

In reviewing these and other concept papers, the Institute Board and staff seek to identify those projects that can provide models and assistance to courts across the nation, both State and Federal.

General Administration

QUESTION 1: Your request for fiscal year 1991 includes funding and workyears for three additional positions. This is in addition to a fiscal year 1990 reprogramming approved by the Committee which provided two additional positions. Could you explain why the Institute requires further additions to staff in 1991?

ANSWER: In this, its fourth year of operation (third full year), the Institute is experiencing the full effects of past funding cycles while it administers the awards process for the FY 1990 program. There are approximately 170 projects funded in FY 1987, FY 1988 and FY 1989 which are now active and which require monitoring by Institute staff to ensure that programmatic and fiscal objectives are achieved.

Before the reprogramming was approved, SJI projected that each Program Manager (including the Executive Director and Deputy Director of the Institute) would be responsible for monitoring an average of 23 grant projects by February 1990. This projection has come to pass. Moreover, each financial monitor is now responsible for an average of 56 active projects. This figure is expected to approximate 70 by the end of FY 1990. The staff also is reviewing 273 concept papers, and expects to analyze 130 subsequent grant applications while dealing with the day-to-day operations of the Institute.

The positions requested in the FY 1991 budget submission are intended to help the Institute respond to the demands cited above with respect to past and pending awards, not the request for an enhanced FY 1991 grant program.

QUESTION 2: Will the requirement for additional staff be reduced if Congress is unable to fund your entire requested increase for grants in 1991?

ANSWER: No. As indicated in the answer to the previous question, the additional staff are needed to cope with the increasing demand for monitoring activity resulting from past awards and those projected in Fiscal Year 1990, not FY 1991 awards. It is our hope that, with the additional staff requested in our budget submission and the expiration of a number of FY 1987-89 projects, no additional program or financial professional staff would be required in FY 1992.

QUESTION 3: Within your requested $235,000 increase for general administration in fiscal year 1991, $63,000 is for the equipment category. Could you provide for the record a breakdown of the types of equipment to be purchased in 1991? Is this additional funding directly related to the additional FTE you are requesting?

ANSWER: Of the $63,000 requested, approximately $46,000 is required for equipment and furnishings for the additional FTE. This includes: $29,000 for computer hardware, a network printer, requisite software, maintenance, and additional cabling required for telephone installation and expansion of the computer network. The other $17,000 will provide desks, chairs, telephones, calculators, bookcases, filing cabinets, and lighting. The remaining $17,000 will provide additional file cabinets for the expanding centralized grantee files ($3,000); accounting software for processing payroll in-house rather than through the existing vendor ($2,000); and the replacement of a copy machine which by 1991 will have gone four times beyond its rated capacity for copies, and is becoming increasingly unreliable ($12,000).

Administration Position

QUESTION 1: I see that once again the Administration has not included the State Justice Institute in the President's budget request.

a. Do you expect that the Administration's unwillingness to recognize the valuable contributions of your organization will impact the nominations of members of your Board of Directors by President Bush?

ANSWER: No. Since the time of our hearing before the Subcommittee, the President has announced the nomination of five new members to the Board and the re-appointment of two incumbents. The White House Personnel Office has advised us that the President intends to announce a nominee for the remaining pending position shortly.

b. What is the current status of vacancies on your Board, and how many positions will be turning over in the coming year?

ANSWER: As noted above, the President has announced his nominees for seven of the eight pending positions on the Board. Four of those nominees would replace current Directors; one would fill a vacancy; and two would be re-appointed to the Board.

The five new Directors would be:

Hon. Malcolm M. Lucas, Chief Justice of the Supreme Court of California (replacing Hon. Ralph J. Erickstad, Chief Justice of the Supreme Court of North Dakota);

Hon. Vivi Dilweg, Circuit Judge, Brown County, Wisconsin (replacing Hon. Rodney A. Peeples, Judge, Second Judicial Circuit, South Carolina);

Carl F. Bianchi, Administrative Director of the Idaho Courts (replacing Larry P. Polansky, former Executive Officer of the District of Columbia Courts);

Keith McNamara, Esq., McNamara and McNamara, Columbus, Ohio (replacing Joseph W. Brown, Esq., Jones, Jones, Close, and Brown, Las Vegas, Nevada); and

Terrence B. Adamson, Esq., Dow, Lohnes & Albertson, Atlanta, Georgia (filling the vacancy left by the Hon. Lawrence H. Cooke, former Chief Judge of the New York Court Appeals, in 1988).

The two nominees for re-appointment are:

Hon. James Duke Cameron, Justice, Supreme Court of Arizona; and

Hon. Janice L. Gradwohl, Judge, County Court, Third Judicial District, Lincoln, Nebraska.

The final position pending appointment or re-appointment is currently held by Sandra A. O'Connor, States Attorney of Baltimore County, Towson, Maryland.

QUESTION 2: You also mentioned in your testimony the staff-level discussions with the office of the nation's Drug Czar. What other Federal agencies does the Institute maintain a relationship with? Please provide details for the record.

ANSWER: SJI enjoys a close working relationship with several agencies in the Department of Justice as well as two agencies in the Department of Health and Human Services.

With respect to the Department of Justice, SJI and the Bureau of Justice Assistance co-sponsored a January, 1990 conference of Washington, D.C. area judges on better ways to confront the challenges of their drug cases. SJI has also co-sponsored two national conferences for judges with the National Institute of Justice (NIJ): "State of the Art in the Criminal Courts" (September, 1987); and "AIDS and the Courts" (April, 1989).

In addition, SJI and the National Institute of Corrections are sharing support of a national effort to improve judges' use of intermediate sanctions. This effort included a very successful workshop in Phoenix in December, 1989 for teams of judges, prosecutors, and law enforcement officials from 12 jurisdictions across the country. Post-workshop technical assistance to those jurisdictions is continuing.

SJI is also one of five agencies co-sponsoring a National Academy of Sciences study of the implications of DNA testing and research for the criminal justice system. The other co-sponsors are NIJ, the Federal Bureau of Investigation, the National Science Foundation, and the Center for Human Genome Research at DHHS.

SJI also maintains ongoing contacts with a number of other agencies in the Justice Department, including the Office of Justice Programs, the Office of Juvenile Justice and Delinquency Prevention, and the Office for Victims of Crime.

With regard to DHHS, the Institute and the Office of Maternal and Child Health are co-funding a grant to the University of Iowa College of Law on "The Judicial Management of Jury Awards for Non-economic and Punitive Damages." In addition, the Administration on Aging has contributed to an SJI-supported conference on the "Court-Related Needs of the Elderly and Disabled," to be convened in February, 1991 by the American Bar Association and the National Judicial College.

QUESTIONS SUBMITTED BY MR. ROGERS

QUESTION 1: The Administration has not requested any FY91 funds for the State Justice Institute. Aside from your program guidelines and ongoing grant activities, can you point to specific results that have provided benefits to the administration of justice at the federal level?

ANSWER: Because the principal means by which the Institute accomplishes its mission is through the award of grants, the Grant Guideline and the specific grants listed in our budget justification represent our primary activities to date in the area of improving the Federal courts. Congress is actively considering proposals in two of the most important areas addressed by our grants: changes in Federal diversity jurisdiction and reform of Federal habeas corpus procedures. Our work in that area should provide a better informational base upon which Congress can make its decisions.

In addition, the Institute recently had an opportunity to respond to the proposed recommendations of the Federal Court Study Committee. Our recommendations went directly to the heart of your question by focusing on the need for closer collaboration between the Federal courts and the State courts so that the two systems can work together to confront shared challenges, benefit from the same innovations, and avoid unnecessary duplication and expense in testing approaches that the other had already adopted or discarded.

Our specific recommendations, in summary form, were as follows:

(1) Greater cooperation between the Federal Judicial Center and SJI, in the form of joint planning, information sharing, and day-to-day consultation;

(2) Joint long range planning, through SJI participation in the Committee's proposed Federal court strategic planning initiative;

(3) Establishment of a mechanism by which Congress is informed of the likely impact of its pending legislation on the State courts, as well as the Federal courts; and

(4) Greater experimentation with alternative dispute resolution.

QUESTION 2: The Subcommittee recently approved a reprogramming request to provide two additional positions and related costs for proposal analysis and grant oversight (consistent with your FY90 request). Your FY91 request includes an increase for three additional positions. Are these positions desired to administer the requested level of grants?

ANSWER: As indicated in the responses to Chairman Smith's question on the same subject, in this, its fourth year of operation (third full year), the Institute is experiencing the full effects of past funding cycles while it administers the awards process for the FY 1990 program. There are approximately 170 projects funded in FY 1987, FY 1988 and FY 1989 which are now active and which require monitoring by Institute staff to ensure that programmatic and fiscal objectives are achieved.

Before the reprogramming was approved, SJI projected that each Program Manager (including the Executive Director and Deputy Director of the Institute) would be responsible for monitoring an average of 23 grant projects by February 1990. This projection has come to pass. Moreover, each financial monitor is now responsible for an average of 56 active projects. This figure is expected to approximate 70 by the end of FY 1990. The staff also is reviewing 273 concept papers, and expects to analyze 130 subsequent grant applications while dealing with the day-to-day operations of the Institute.

The positions requested in the FY 1991 budget submission are intended to help the Institute respond to the demands cited above with respect to past and pending awards, not the request for an enhanced FY 1991 grant program.

QUESTION 3: If no additional funds are provided in FY91 for grants, would the increase for General Administration still be necessary?

ANSWER: Yes. As indicated in the answer to the previous question, the additional staff are needed to cope with the increasing demand for monitoring activity resulting from past awards and those projected in Fiscal Year 1990, not FY 1991 awards. It is our hope that, with the additional staff requested in our budget submission and the expiration of a number of FY 1987-89 projects, no additional program or financial professional staff would be required in FY 1992.

QUESTION 4: What is the average size of an Institute grant? What is the largest grant awarded by the Institute?

ANSWER: The average size of Institute grants since fiscal year 1987 (its first year of operation) has remained relatively stable. As of January 31, 1990, the overall average is $109,626. Averages for each fiscal year are: FY 1987 - $95,011 (68 grants); FY 1988 - $116,845 (87 grants); FY 1989 - $112,653 (87 grants); and FY 1990 - $113,993 (14 grants).

The largest single grant awarded by the Institute is a $471,020 cooperative agreement with the American Judicature Society (AJS) that is supporting the presentation of what we anticipate will be a landmark conference on "The Future and The Courts". This award amount includes more than $91,000 transferred from an FY 1988 cooperative agreement with AJS that supported the extensive planning process needed to focus the conference on the key issues that the courts will face in the next 30 years and the preparation of background materials. Among the 300 participants expected to attend the conference are leaders from the judicial, bar, business, technology, and academic communities nationwide.

The largest single Institute grant supporting an operational project is a three-year, $353,692 grant to the University of Virginia Law School to support its highly respected Graduate Program for Appellate Judges.

QUESTION 5: Your request highlights the growing number of concept papers submitted for the FY90 round. Is the quality of concept papers and grant applications submitted changing?

ANSWER: The quality of concept papers and applications has improved notably over the past three years. Part of the improvement, we believe, results from the Institute's significant efforts to assist applicants and potential applicants, particularly State and local courts unfamiliar with grant procedures. In addition to keeping application requirements and Guideline language as clear as possible, this assistance has taken three forms.

The first and most important is the Institute's practice of responding to all concept papers and applications -- those disapproved as well as those approved -- with a detailed set of comments and suggestions. For papers and applications that have been approved, the comments are intended to help the applicant make the proposed project as productive and cost-effective as possible. For those papers and applications that were not approved, the comments explain the deficiencies identified by the reviewers and how the proposal might be revised and strengthened. There have been numerous instances in which a concept paper or application rejected in one round has been revised, resubmitted, and approved in a subsequent funding cycle.

The second type of assistance has been the publication of "Recommendations for Grantwriters" in SJI News (the Institute's quarterly newsletter) and the annual Guideline, and a wide dissemination of the recommendations by mail. To date, recommendations have been published on how to prepare a proposal, generally, and on how to prepare a budget, specifically (see Attachments 2 and 3). A set of recommendations on project evaluation will be published in the Spring issue of SJI News.

The third type of assistance has been participation in "grantwriting" workshops at State and national conferences of judges, court managers, and researchers. In addition, Institute staff are always accessible to potential applicants and provide advice on what matters should be covered in a grant proposal, and the scope of the Institute's program.

QUESTION 6: Please breakout, in percentage terms, the types of organizations receiving grant funds from the Institute (e.g., bar associations, universities, state courts) in FY88 and FY89.

ANSWER: The requested breakout is set forth below.

	Percentage of Grants	
Type of Grantee	FY 1988	FY 1989
State & Local Courts	22%	28%
National Court Support & Education Organizations	41%	32%
Universities	15%	14%
Bar Associations	7%	8%
Other Non-Profit Organizations	13%	16%
Other Units of Government	2%	1%
Individuals		1%
	100%	100%

QUESTION 7: Provide a similar breakout for the types of proposals funded in FY88 and FY89 (e.g., research, training).

ANSWER: The requested breakout is set forth below.

Type of Grant	Percentage of Grants FY 1988	FY 1989
Demonstration	21%	16%
Education	31%	36%
Evaluation	10%	13%
Research	30%	18%
Technical Assistance/ Public Information	8%	17%
	100%	100%

Attachment 1

DATE : 02/22/90

STATE JUSTICE INSTITUTE FISCAL YEAR 1990
CONCEPT PAPER
INTERNAL LOG SHEET

K. SUBSTANCE ABUSE

Concept Paper No : C-90-008

Title : The Need for an Alternate Method of Dealing with Drug Cases

Applicant : John Jay College of Criminial Justice, The City University of New York

Program Area : 11 Amount Requested : $ 132,000

Primary Reviewer : CP Secondary Reviewer : DT

Concept Paper No : C-90-057

Title : Development of Screening Procedures for Juvenile Substance Abuse

Applicant : Urban Institute

Program Area : 11 Amount Requested : $ 128,645

Primary Reviewer : CP Secondary Reviewer : DT

Concept Paper No : C-90-061

Title : Strategies for Courts to Cope with the Caseload Pressures of Drug Cases

Applicant : American Bar Association

Program Area : 11 Amount Requested : $ 137,606

Primary Reviewer : CP Secondary Reviewer : DT

Concept Paper No : C-90-079

Title : Northern California Judicial Conference: A Judicial Perspective on Substance Abuse

Applicant : Alameda County Office of Court Services

Program Area : 11 Amount Requested : $ 40,000

Primary Reviewer : CP Secondary Reviewer : DT

DATE : 02/22/90

STATE JUSTICE INSTITUTE FISCAL YEAR 1990
CONCEPT PAPER
INTERNAL LOG SHEET

Concept Paper No : C-90-086

Title : CADRE: Court Alcohol/Drug Rapid Evaluation

Applicant : New Jersey Administrative Office of the Courts

Program Area : 11 Amount Requested : $ 139,998

Primary Reviewer : CP Secondary Reviewer : DT

Concept Paper No : C-90-115

Title : Judicial Leadership Workshops:

Applicant : National Judicial College

Program Area : 11 Amount Requested : $ 133,793

Primary Reviewer : CP Secondary Reviewer : RVD

Concept Paper No : C-90-125

Title : Felony Drug Dispositions and Limited Jurisdiction Courts

Applicant : National Center for State Courts

Program Area : 11 Amount Requested : $ 138,025

Primary Reviewer : CP Secondary Reviewer : RVD

Concept Paper No : C-90-143

Title : Judicial Training on Drug Abuse and Treatment

Applicant : Narcotic and Drug Research, Inc.

Program Area : 11 Amount Requested : $ 199,626

Primary Reviewer : CP Secondary Reviewer : RVD

l.

DATE : 02/22/90

STATE JUSTICE INSTITUTE FISCAL YEAR 1990
CONCEPT PAPER
INTERNAL LOG SHEET

Concept Paper No : C-90-153

Title : A Study of Alternative Approaches to the Drug Problem

Applicant : Institute of Judicial Administration, Inc.

Program Area : 11 Amount Requested : $ 437,725

Primary Reviewer : CP Secondary Reviewer : RVD

- -

Concept Paper No : C-90-166

Title : Comprehensive Substance Abuse Programs Training for Juvenile and Family Courts Project

Applicant : National Council of Juvenile and Family Court Judges

Program Area : 11 Amount Requested : $ 101,320

Primary Reviewer : CP Secondary Reviewer : RVD

- -

Concept Paper No : C-90-171

Title : 1991 National Conference: Courts and Communities and Drug-Impaired Infants and Their Mothers

Applicant : National Council of Juvenile and Family Court Judges

Program Area : 11 Amount Requested : $ 99,162

Primary Reviewer : CP Secondary Reviewer : RVD

- -

Concept Paper No : C-90-173

Title : Effective Treatment for Drug-Involved Offenders: A Review & Synthesis for Judges & Court Personnel

Applicant : Education Development Center, Inc.

Program Area : 11 Amount Requested : $ 132,087

Primary Reviewer : CP Secondary Reviewer : RVD

DATE : 02/22/90

STATE JUSTICE INSTITUTE FISCAL YEAR 1990
CONCEPT PAPER
INTERNAL LOG SHEET

Concept Paper No : C-90-187

Title : Task Force for the Study of Drugs and Impact on the Colorado System of Justice

Applicant : Colorado Bar Association

Program Area : 11 Amount Requested : $ 175,000

Primary Reviewer : CP Secondary Reviewer : RVD

Concept Paper No : C-90-232

Title : Improved Sentencing Decisions for Drug Offenders Judicial Training Project

Applicant : Colorado Judicial Department

Program Area : 11 Amount Requested : $ 103,265

Primary Reviewer : CP Secondary Reviewer : RVD

Concept Paper No : C-90-237

Title : Drugs in Philadelphia: Integrating an Interagency System

Applicant : Wharton Center for Applied Research

Program Area : 11 Amount Requested : $ 150,000

Primary Reviewer : CP Secondary Reviewer : RVD

Concept Paper No : C-90-244

Title : The Impact of Legislation and Court Decisions Dealing with Drug Affected Babies

Applicant : Center for Policy Research

Program Area : 11 Amount Requested : $ 164,794

Primary Reviewer : CP Secondary Reviewer : RVD

DATE : 02/22/90

STATE JUSTICE INSTITUTE FISCAL YEAR 1990
CONCEPT PAPER
INTERNAL LOG SHEET

Concept Paper No : C-90-255

Title : Validation of a Substance Abuse Screening Device for the Juvenile Court

Applicant : National Council of Juvenile and Family Court Judges

Program Area : 11 Amount Requested : $ 132,251

Primary Reviewer : CP Secondary Reviewer : RVD

- -

Concept Paper No : C-90-267

Title : "Fast Track" Drug Caseload Management

Applicant : Deputy District Attorney

Program Area : 11 Amount Requested : $ 67,300

Primary Reviewer : CP Secondary Reviewer : RVD

- -

Concept Paper No : C-90-271

Title : Coordinating Substance Abuse Treatment in the Offender Population

Applicant : Delaware Administrative Office of the Courts

Program Area : 11 Amount Requested : $ 115,487

Primary Reviewer : CP Secondary Reviewer : RVD

- -

Concept Paper No : C-90-031

Title : Re-examination of Court-Based Pretrial Release Guidelines in Philadelphia

Applicant : Crime and Justice Research Institute

Program Area : 12 Amount Requested : $ 300,000

Primary Reviewer : RVD Secondary Reviewer : DT

DATE : 02/22/90

STATE JUSTICE INSTITUTE FISCAL YEAR 1990
CONCEPT PAPER
INTERNAL LOG SHEET

Concept Paper No : C-90-037

Title : Tackling the Drug Problem: In Search of Answers

Applicant : American Judicature Society

Program Area : 12 Amount Requested : $ 123,777

Primary Reviewer : CP Secondary Reviewer : DT

DATE : 02/22/90

STATE JUSTICE INSTITUTE FISCAL YEAR 1990
CONCEPT PAPER
INTERNAL LOG SUMMARY SHEET

SPECIAL INTEREST AREA		NUMBER	TOTAL
A	COURT CAREER DEVELOPMENT		
B	EDUCATION AND TRAINING		
C	ALTERNATIVE DISPUTE RESOLUTION (ADR)-EVALUATION		
D	FUTURE AND THE COURTS		
E	COURT COORDINATION		
F	APPLICATION OF TECHNOLOGY		
G	APPELLATE COURT PROCESS		
H	DELAY REDUCTION		
I	USE OF JURIES		
J	ENFORCEMENT OF COURT ORDERS		
K	SUBSTANCE ABUSE	21	$ 3,151,861
L	VICTIM/WITNESS		
M	ELDERLY/DISABLED COURT NEEDS		
N	PUBLIC EDUCATION		
O	STATE/FEDERAL RELATIONS		
U	SPECIAL NEEDS OF THE LARGEST URBAN COURTS		
W	SINGLE JURISDICTION PROJECTS		
01-X	ASSISTANCE TO STATE AND LOCAL COURT		
02-X	EDUCATION AND TRAINING PROGRAMS		
03-X	RESEARCH ON ALTERNATIVE MEANS		
04-X	STUDIES OF THE APPROPRIATNESS AND EFFICACAY OF COURT ORGS		
05-X	SUPPORT FOR STATE COURT PLANING AND BUDGETING STAFFS		
06-X	STUDIES OF THE ADEQUACY OF COURT MANAGEMENT SYSTEMS		
07-X	COLLECTION AND COMPILATION OF STATISTICAL DATA AND OTHER INFO		
08-X	STUDIES OF THE CAUSES OF TRAIL AND APPELLATE COURT DELAY IN RESO		
09-X	MEASURING THE PERFORMANCE OF JUDGES		
10-X	STUDIES OF COURT RULES AND PROCEDURES		
11-X	STUDIES OF COURT RULES AND PROCEDURES		
12-X	STUDIES OF THE OUTCOMES OF CASES IN SELECTED AREAS		
13-X	TESTING AND EVALUATING EXPERIMENTAL APPROACHES TO PRO		
14-X	OTHER PROGRAMS		
Y	APPLICATIONS WITHDRAWN BY SJI EXECUTIVE DIRECTOR		
Z	APPLICATIONS WITHDRAWN BY APPLICANT		
TOTALS :		21	$ 3,151,861

State Justice Institute
120 South Fairfax Street
Alexandria, Virginia 22314 (703) 684-6100

Attachment 2

TIPS TO GRANT WRITERS: DEVELOPING YOUR GRANT APPLICATION

The following suggestions were compiled to assist you as a grant writer in developing your project for funding consideration by the Institute.

What is the problem you wish to address? Clearly describe the problem and how it affects the courts and the public. If outside sources are necessary to support your position, citations to those sources should be included in a footnote.

What do you want to do? Explain the goals of the project in simple, straight-forward terms. Jargon and unnecessarily technical terms do not enhance a paper. The paper should be written in a manner easily understood by the general public.

How will you do it? Describe your methodology carefully so it is clear what you propose to do and how you would do it. Explain each task involved in implementing the project in logical progression. When in doubt about the amount of detail to include, err on the side of too much, rather than too little, information. A detailed description of the tasks will help identify and justify the costs involved. The tasks should relate directly to accomplishing the goals of the project, and the project costs should correspond directly to the tasks described. The support of the courts and related agencies involved or directly affected by the project should be obtained, and letters of cooperation and support from them should be included with your paper.

How will you know it works? An evaluation to determine whether the project has met its goals is a key element of the project design. Describe the criteria that will be used to evaluate the project's effectiveness and to identify elements of the project that need to be modified. Explain how the evaluation will be conducted, when it will occur, who will conduct it, and what methods of data collection and analysis will be used. The evaluation should be conducted by someone who is not involved in implementing or administering the project.

How will others find out about it? Describe the product you intend to develop to let the courts community know about the results of the project (for example, a journal article or a written report with an executive summary). Explain how you will distribute the information.

What will the project cost? Estimate the entire cost of the project including personnel, fringe benefits, travel, supplies, equipment, and indirect costs. All costs should relate directly to the tasks required to complete the project.

What, if any, match is being offered? All units of State and local government (other than public institutions of higher education) are required by the State Justice Institute Act to contribute a match of not less than fifty percent of the amount of grant funds requested from the Institute. All other applicants are encouraged, but not required, to contribute match to assist in meeting the costs of the project. The matching contribution may be cash, in-kind, or both. If your court or agency is required to provide match, the match must be fifty percent of the funds requested from SJI. For example, if the total cost of a project is estimated to be $150,000, you may request up to $100,000 from the Institute to implement the project. You must provide the remaining $50,000 (fifty percent of the $100,000 requested) from other public or private sources.

State Justice Institute

120 South Fairfax Street
Alexandria, Virginia 22314 (703) 684-6100

Attachment 3

TIPS TO GRANT WRITERS: BUDGET PREPARATION

A complete and accurate budget is an essential part of a successful grant proposal. The following suggestions are offered to assist grant writers in developing the budget portions of their applications for Institute funding.

Which of the two budget forms should be used? Section VII.A.3. of the SJI Grant Guideline encourages use of the spreadsheet format of Form C1 if the funding request exceeds $100,000. Form C1 also works well for projects with discrete tasks, no matter what the dollar value of the project. Form C, the tabular format, may be preferred for projects lacking a number of discrete tasks, or for projects requiring less than $100,000 of Institute funding. Generally, it is acceptable to use the form that best lends itself to representing most accurately the budget estimates for the project.

How much detail should be included in the budget narrative? The budget narrative should provide the basis for computing all project-related costs, as indicated in section VII.D. of the SJI Grant Guideline. To avoid common shortcomings of budget narratives, the following information should be included:

* Personnel estimates that accurately provide the amount of time to be spent by personnel involved with the project and the total associated costs, including current salaries for the designated personnel (e.g., Project Director, 50% for one year, annual salary of $30,000 = $15,000). If salary costs are computed using an hourly or daily rate, the annual salary and number of hours or days in a work-year should be shown.

* Estimates for supplies and expenses supported by a complete description of the supplies to be used, nature and extent of printing to be done, anticipated telephone charges, and other common expenditures, with the basis for computing the estimates included (e.g., 100 reports x 75 pages each x .05/page = $375.00). Supply and expense estimates offered simply as "based on experience" are not sufficient.

In order to expedite Institute review of the budget, applicants should make a final comparison of the amounts listed in the budget narrative with those listed on the budget form. In the rush to complete all parts of the application on time, there may be many last-minute changes; unfortunately, when there are discrepancies between the budget narrative and the budget form or the amount listed on the application cover sheet, it is not possible for the Institute to verify the amount of the request. A final check of the numbers on the form against those in the narrative will preclude such confusion.

What travel regulations apply to the budget estimates? Transportation costs and per diem rates must comply with the policies of the applicant organization, and a copy of the applicant's travel policy should be submitted as an appendix to the application. If the applicant does not have a travel policy established in writing, then travel rates must be consistent with those established by the Institute or the Federal Government (a copy of the Institute's travel policy is available upon request). The budget narrative should state which regulations are in force for the project and should include the number of persons traveling, the number of trips to be taken, and the length of stay. The estimated costs of travel, lodging, and other subsistence should be listed separately. When combined, the subtotals for these categories should equal the estimate listed on the budget form.

May grant funds be used to purchase equipment? Grant funds may be used to purchase or lease only that equipment which is essential to accomplishing the objectives of the project. The budget narrative must list such equipment and explain why the equipment is necessary. Written prior approval of the Institute is required when the amount of automatic data processing equipment to be purchased or leased exceeds $10,000, or the software to be purchased exceeds $3,000.

To what extent may indirect costs be included in the budget estimates? It is the policy of the Institute that all costs should be budgeted directly; however, if an applicant has an indirect cost rate that has been approved by a Federal agency within the last two years, an indirect cost recovery estimate may be included in the budget. A copy of the approved rate agreement should be submitted as an appendix to the application.

If an applicant does not have an approved rate agreement, an indirect cost rate proposal should be prepared in accordance with Section XI.H.3 of the Grant Guideline, based on the applicant's audited financial statements for the prior fiscal year (applicants lacking an audit must budget all project costs directly). If an indirect cost rate proposal is to be submitted, the budget should reflect estimates based on that proposal. Obviously, this requires that the proposal be completed for the applicant's use at the time of application so that the appropriate estimates may be included; however, grantees have until three months after the project start date to submit the indirect cost proposal to the Institute for approval.

Does the budget truly reflect all costs required to complete the project? After preparing the program narrative portion of the application, applicants may find it helpful to list all the major tasks or activities required by the proposed project, including the preparation of products, and note the individual expenses, including personnel time, related to each. This will help to ensure that, for all tasks described in the application (e.g., development of a videotape, research site visits, distribution of a final report), the related costs appear in the budget and are explained correctly in the budget narrative.

WEDNESDAY, FEBRUARY 21, 1990.

BOARD FOR INTERNATIONAL BROADCASTING

WITNESSES

MALCOLM S. FORBES, JR., CHAIRMAN

BEN J. WATTENBERG, VICE CHAIRMAN

GENE PELL, PRESIDENT, RADIO FREE EUROPE/RADIO LIBERTY, INC.

Mr. DWYER [presiding]. The first item that we will consider this afternoon is the fiscal year 1991 budget request for the Board for International Broadcasting. The request is comprised of two items. The first is for grants and expenses, which is $201,158,000, and represents an increase of $11,258,000 above the fiscal year 1990 appropriation. The second is a request for the Israel relay station, which is $23,978,000, a reduction of $159,044,000 from the fiscal year 1990 appropriation.

We will insert the justification material submitted in support of this request into the record at this point.

[The justifications follow:]

Board for International Broadcasting

FY 1991 BUDGET

BOARD FOR INTERNATIONAL BROADCASTING
FY 1991 BUDGET
TABLE OF CONTENTS

I. SUMMARY

BUDGET SUMMARY.. 1
SUMMARY BUDGET TABLE.................................. 4
STATEMENT OF AGENCY MISSION........................... 5

II. BOARD FOR INTERNATIONAL BROADCASTING OPERATIONS

BIB OPERATING BUDGET.................................. 6
OBLIGATIONS BY OBJECT CLASS........................... 9
OBJECT CLASS SUMMARY..................................10
OFFICE OF THE INSPECTOR GENERAL.......................13

III. RFE/RL OPERATIONS

IMPACT OF RECENT EVENTS...............................15
IMPORTANCE OF RFE/RL BROADCASTS.......................16
FY 1991 BUDGET INCREASE...............................17
FOREIGN CURRENCY SUMMARY..............................18
OBJECT CLASS ANALYSIS.................................20
SUMMARY OF INCREASES AND DECREASES....................22
PERSONNEL DISTRIBUTION................................25
BROADCAST HOURS BY LANGUAGE...........................26

IV. TRANSMITTERS SITES

MODERNIZATION PROGRAM SUMMARY.........................27
REFURBISHMENT PROGRAM FOR EXISTING SITES..............28
RELAY STATION IN ISRAEL...............................30

BOARD FOR INTERNATIONAL BROADCASTING

BUDGET SUMMARY

President George Bush summed up his trip to Europe in July, 1989- - which included stops in Poland and Hungary - - with these words: "Everywhere I found an enormous amount of excitement. Excitement at the times in which we are living and the possibilities they offer. The chance we have in our lifetimes to move beyond containment, to end the division of Europe and make that continent truly whole and free. Everywhere people seem to sense that we live at a moment when positive change is possible."

Radio Free Europe and Radio Liberty (RFE/RL) are the only instruments of U.S. foreign policy dedicated to strengthening democracy in Eastern Europe and the Soviet Union. At a time of unprecedented political, economic, and social change in these countries, the role of RFE/RL has never been more important. Its programming is an indispensable source of accurate news and information for millions of people struggling for democracy in Poland, Czechoslovakia, Hungary, Romania, Bulgaria, the Baltic republics, and the USSR. At times of crisis, RFE/RL has been the lifeline for democratic forces in these countries. As the recently elected President of Czechoslovakia, Vaclav Havel, stated in a letter to Radio Free Europe: "People consider you (RFE/RL) to be the main independent medium. You are the surrogate of the free and independent communications media which ought to exist over here. This is why I myself and many others turn to you."

Current and Future Challenges

Faced with rapid political change in Eastern Europe and the Soviet Union, RFE/RL has concentrated its extensive resources on providing factual, up-to-the-minute news and information. Relying on its central news operation and its research departments, as well as on free-lance stringers in the broadcast areas, the language services have provided unique and comprehensive programming. They have covered the dissolution of Stalinist regimes, ethnic disturbances, economic privations, and the growth of public opinion and independent political groups. By drawing on Western experts, RFE/RL has been able to place the developments in Eastern Europe and the Soviet Union in a broad political context. To this end, the radio station has aired many broadcasts about the nature of free enterprise, the philosophy and functioning of democratic government, and the role of free media and trade unions in open, pluralistic societies.

New opportunities appear on several fronts. RFE/RL has established news bureaus in Budapest and Warsaw which will enable the language services to do more in-depth reporting about these countries. Taking advantage of the crumbling Iron Curtain, RFE/RL has sent its own correspondents to Czechoslovakia and Romania to cover the recent revolutions there. During the past year, Radio Liberty has been able to interview both government officials and leaders of opposition and dissident groups. The growing turbulence in the national republics has been of major concern.

RFE/RL broadcasts more than 1,000 hours per week in 23 languages, reaching tens of millions of listeners in Eastern Europe and the Soviet Union. Since its inception, Radio Free Europe has been the preeminent international broadcaster to Eastern Europe. Now, with the end of jamming, Radio Liberty's audience in the USSR has grown considerably and has surpassed that of all other foreign broadcasters.

What is being witnessed today in Eastern Europe and the Soviet Union is testimony to the power of information and the influence of ideas. Nevertheless, the democratic revolution in Eastern Europe is only half-finished; in some countries, it has barely begun. Communist leaders still control key centers of power (such as the police and military) in most countries, and local and national governmental structures are only partly controlled by democratic forces. This is not the time to diminish the efforts of RFE/RL. By broadcasting accurate and comprehensive news, RFE/RL can continue to be a catalyst of change. Its very presence on the airwaves compels domestic media in Eastern Europe and the Soviet Union to be open, objective, and up-to-date. More important, its programs can contribute directly to the building of democracy by explaining to millions of people how Western pluralistic democracies function. RFE/RL also serves as an insurance policy, in case reactionary political forces reassert themselves in Eastern Europe and the Soviet Union. In short, RFE/RL is the most influential and cost effective means of promoting peaceful, democratic change in Eastern Europe and the Soviet Union.

FY 1991 Budget

In FY 1991, the request for RFE/RL's operations includes increases only for inflation (at the projected U.S. domestic level). For completion of the refurbishment of transmitting facilities in Portugal and West Germany, BIB requests $8,672,000. Despite the delays in funding and inflation, this program, originally estimated to cost $77,250,000, will be accomplished within the original time frame and at a cost of $3,328,000 less than originally estimated for the total Technical Modernization Program. Conversion of the existing receiving station at Maxoqueira, Portugal into a transmitting facility is underway and initial broadcasting from this station is scheduled to begin in

1991. Finally, to complete the construction of a new radio relay station in Israel, for the joint use of the Voice of America (VOA) and RFE/RL, BIB requests $23,978,000. Congress has appropriated in Fiscal Years 1988, 89, and 90 $250 million of the total estimated cost of $274 million for the design and construction of this critically needed new site. At this time BIB does not anticipate that further funding will be required after 1991 for this project.

BOARD FOR INTERNATIONAL BROADCASTING
SUMMARY BUDGET TABLE

(in thousands of dollars)

	FY 1989 Actual	FY 1990 Estimate	FY 1991 Estimate	FY 1991/90 Increase/ Decrease
BIB Administrative expenses...	1,302	1,600	1,737	+137
Grants to RFE/RL, Inc.				
Operating expenses.........	190,795	172,555	190,849	+18,294*
Transmitter Modernization..	2,800	15,845	8,672	-7,173
TOTAL	194,897	190,000	201,258	+11,258
Relay Station In Israel	33,000	183,022	23,978	-159,044
TOTAL AGENCY	227,897	373,022	225,236	-147,786

*FOREIGN CURRENCY EXCHANGE RATES:
The FY 1991 request is based on exchange rates of 1.78 West German Marks, 156.00 Portuguese escudos and 115.00 Spanish pesetas to the dollar. These compare with FY 1990 appropriated exchange rates of 1.93 marks, 160.00 escudos, and 121.00 pesetas to the dollar. Of the $18,294,000 increase in RFE/RL operating expenses, $11,458,000 is due solely to conversion of the foreign currency exchange rates.

STATEMENT OF AGENCY MISSION

The Board for International Broadcasting was established by Congress in 1973 with the mandate to oversee the operations and broadcasting programs of Radio Free Europe/Radio Liberty, Inc. The bipartisan Board consists of nine members appointed by the president, with one member serving as Chairman of the Board. The current Chairman is Malcolm S. Forbes, Jr., President of Forbes, Inc. and Deputy Editor-in-Chief of Forbes Magazine.

The Board functions as an independent Federal agency. With the assistance of a small professional staff, the Board exercises oversight responsibility over the quality and effectiveness of RFE/RL broadcasts and over the utilization of Federal funds. The Board and its staff are the principal liaison between the Federal government and the private corporation of RFE/RL, Inc.

Radio Free Europe/Radio Liberty, Inc. is a non-profit, international broadcasting corporation, wholly funded by the U.S. government. The mission of RFE/RL is to provide surrogate or proxy domestic broadcasting to the people of the Soviet Union and Eastern Europe. Each language service of RFE/RL serves as an alternative "Home Service" for its listeners, providing them with information about their own country not readily available from the official media.

RFE/RL broadcasts in 23 languages to more than 57 million regular listeners. Its broadcast schedules range from 24 hours a day in Russian and nearly 20 hours in Polish, Hungarian, and Czechoslovak to only several hours in some of the languages of Soviet Central Asia. News and current affairs, together with cultural, political, economic, social, historical, and religious programs, form the basis of RFE/RL broadcasts. RFE/RL Research Department--the largest center in the West for analytical research on Eastern Europe and the Soviet Union--provides programmers with up-to-date, incisive analyses of domestic and world developments.

Of RFE/RL's 1,766 employees, some 1,294 are situated in Munich and other sites in Western Europe, 367 at the main transmitter sites in Portugal and Spain, 105 at offices in Washington and New York.

BOARD FOR INTERNATIONAL BROADCASTING

FY 1991 OPERATING BUDGET

The Board for International Broadcasting was established by Public Law 93-129, the Board for International Broadcasting Act of 1973, to make and oversee grants to Radio Free Europe/Radio Liberty. BIB is an independent Federal agency consisting of nine bipartisan members appointed by the President with the advice and consent of the Senate.

By law, members of the Board are selected "from among Americans distinguished in the fields of foreign policy or mass communications" for terms of 3 years. The President of RFE/RL, Inc. serves as an ex-officio member of the Board. The Board is served on a permanent basis by a small professional staff appointed under the provisions of Title 5, United States Code. The Board office is located at 1201 Connecticut Ave., N.W., Suite 400, Washington, D.C. 20036.

The Law

According to law, the Board is authorized to:

* make grants to RFE/RL, Inc.;
* review and evaluate the mission and operations of RFE/RL, Inc., and to assess the quality, effectiveness and professional integrity of its broadcasting within the context of the broad foreign policy objectives of the United States;
* encourage the most efficient utilization of available resources by RFE/RL, Inc. and to assure that grants are applied in accordance with the purposes for which such grants are made;
* develop appraisal procedures to ensure that grants are applied in a manner consistent with the broad foreign policy objectives of the United States Government;
* procure specialized electronic equipment;
* receive donations, bequests, gifts and other forms of contributions in the U.S. and abroad;
* report annually to the President and the Congress, summarizing the activities of the Board and evaluating the operation of RFE/RL during the preceding fiscal year.

The Record

During the 1970s, the BIB implemented several recommendations made in legislative and executive branch studies of RFE and RL. The most prominent action taken was the consolidation of RFE and RL into a single organization, a move undertaken to improve management of the operations and to achieve basic economies of scale. The two original radio corporations were merged into a single new corporation, RFE/RL, Inc., in 1976.

In the 1980s, a major effort was initiated to improve the transmission facilities of RFE/RL in Germany, Portugal and Spain. In 1985, funds were appropriated by Congress to begin this refurbishment program. In 1987, BIB and VOA signed a joint agreement with the Government of Israel for the construction of a new radio relay station in Israel. When completed, this station will be among the largest shortwave radio stations in the free world and will significantly enhance RFE/RL transmissions to Eastern Europe and the Soviet Union.

In fulfilling its legal mandate, the BIB contracts for regular outside program evaluations with distinguished academic specialists and journalists. The BIB also utilizes a private accounting firm to conduct annual financial audits of RFE/RL in order to assure legal and financial accountability.

In 1987, the Board drafted and approved, with the consent of Congressional oversight committees, a new professional code to be used by the staff of RFE/RL. These policy guidelines define the objectives and priorities of RFE/RL programming.

The BIB meets formally three times each year to address financial, programming, policy and technical issues pertaining to RFE/RL, Inc. Throughout the year, subcommittees of the Board meet to analyze specific policy issues.

FY 1991 Budget

The 1991 budget consists of normal operating expenses of the Board, including staff compensation and benefits; compensation to Board members for their time and travel costs to attend regular meetings and inspect RFE/RL facilities; rental services; office supplies and equipment; contract fees for the annual audit of RFE/RL finances by an independent public accounting firm; and fees to contractors/consultants, principally in the area of program evaluation, to assist the Board and staff in their oversight functions. A BIB Office of Inspector General has been established, pursuant to P.L. 100-504. The FY 1991 budget includes estimated operating expenses for the IG office of $335,000.

BIB operating expenses in FY 1989 were $1,302,000; the FY 1990 appropriation for the BIB's expenses is $1,600,000; and the FY 1991 request is $1,737,000.

BOARD FOR INTERNATIONAL BROADCASTING
OBLIGATIONS BY OBJECT CLASS
(in thousands of dollars)

Object Classification	FY 89 Actual FTE	FY 89 Actual Amount	FY 90 Estimate FTE	FY 90 Estimate Amount	FY 91 Estimate FTE	FY 91 Estimate Amount	91/90 Increase or Decrease FTE	91/90 Increase or Decrease Amount
Personnel Compensation:								
11.1 Full-time permanent...	10	469	11	578	12	672	+1	+94
11.3 Other than full-time permanent.........	1	119	2	183	2	157		-26
Total personnel compensation..........	11	588	13	761	14	829	+1	+68
12.1 Personnel benefits....		109		174		195		+21
21.0 Travel and transportation of persons.........		73		118		109		-9
23.3 Communications, utilities and miscellaneous charges		98		109		111		+2
24.0 Printing/reproduction...		25		26		27		+1
25.0 Other services.........		126		137		188		+51
Payments to other agencies		132		113		116		+3
Audit of RFE/RL........		119		125		130		+5
26.0 Supplies and Materials.		21		21		22		+1
31.0 Equipment.............		11		16		10		-6
TOTAL OBLIGATIONS....		1302		1600		1737		+137

BOARD FOR INTERNATIONAL BROADCASTING
FY 1991 OBJECT CLASS SUMMARY
(in thousands of dollars)

Personnel compensation .... +68

Costs reflect twelve full-time salaries, including four SES and eight GS. In addition to the full-time staff, intermittent salaries are included for nine Board members, and a part-time program officer. The increase in 1991 will fund a third position and annualized costs of the second position for the Inspector General's office in Munich, as well as mandatory costs of within grade increases and promotions.

Personnel benefits .... +21

These costs include health insurance, Medicare, life insurance, increased participation in federal employees retirement system (FERS), thrift savings and government match funds; and civil service retirement systems. The FY 1991 increase is consistent with projections of salaries and increased FERS participation, and includes annualized costs of overseas living allowances for the Inspector General and his assistant, who are located in Munich.

Travel .... -9

Travel costs reflect overseas and domestic travel for nine board members, five staff members, and the Inspector General. Invitational travel for program evaluation consultants to participate in round-table evaluations, and BIB's imprest fund expenses for local travel and emergency miscellaneous expenses are also included. The FY 1991 decrease reflects primarily non-recurred relocation costs for the Inspector General.

Communications/utilities/miscellaneous .... +2

These charges include the telephone inventory accounting service; FTS 2000 and C&P for BIB and RFE/RL; as well as all BIB postage charges. The transition charges of a new GSA centrex telephone system for the Washington Interagency Telecommunications Systems (WITS) that has been mandated government-wide are also included. The increase in FY 1991 is due to greater anticipated long distance telephone usage, especially telephone services for the IG office in Munich.

Printing and reproduction.. +1

Included in this category are the costs of printing BIB's annual report as required by Section 4(a)(9) of the BIB Act of 1973, as amended, as well as the purchase from GPO of needed Executive Branch regulations and documents, and all Congressional documents printed by GPO. Increases are due to inflationary factors of printing and binding.

Other services..+51

This category includes the costs of a variety of miscellaneous commercial vendors for routine services and supplies, i.e., computer software and hardware; electronic, security and combination locks; repairs of office machines on an as needed basis; and miscellaneous training from sources outside the government. Also included are the costs of service maintenance contracts on various office machines, (including computers, printers, typewriters, copying machine, fax, etc.) and rental services and equipment. Fees to contractors for program evaluations, engineering and technical evaluations, translations, and other services are also included, as well as special studies for the Inspector General. FY 1991 increases are due primarily to increased evaluations in all areas--broadcast programs, engineering, technical and IG-related.

Payments to other agencies... +3

These payments are for the mandatory employees' health unit and counseling services; government training for employees; interagency agreements with the Federal Communications Commission and Commerce Department's NTIA to perform specialized research and analysis in international telecommunications; with the Department of State to provide administrative support for the IG's office in Munich; and for the GSA administrative support service agreement, as well as the GSA annual audit. In addition, the costs of security clearances for BIB and RFE/RL employees are included as is an interagency agreement with FEDLINK to provide centralized computer automated services for agencies to access subject databases, such as Lexis/Nexis. Increases are due to normal inflationary factors.

Audit of RFE/RL .... +5

In accordance with Section 5(b) of the BIB Act of 1973, as amended, BIB contracts annually with a private accounting firm to audit the financial statements of RFE/RL and its subsidiary, IBS Inc. The anticipated increase is based on BIB's exercising Option III of a 1988 contract, subject to adjustment for foreign currency exchange rate fluctuation.

Supplies and materials .... +1

This category includes office operating supplies, newspapers and periodicals, reimbursable work authorization for the office security system and special required services. The FY 1991 increase is due to normal inflationary factors after the initial supplies and materials for the IG's office, funded in FY 1990, have been non-recurred.

EQUIPMENT .... -6

Included are the costs of replacement of miscellaneous equipment on an as needed basis. The reduction reflects primarily the non-recurred, one-time costs of establishing the IG's office in FY 1990.

FY 1991 INCREASE ....+137

OFFICE OF THE INSPECTOR GENERAL

In accordance with Public Law 100-504, BIB has established an Office of the Inspector General. The Office of the Inspector General is located in Munich, West Germany, as is the headquarters of Radio Free Europe/Radio Liberty, BIB's principal grantee.

BIB estimates the administrative costs of this new office of the Inspector General for FY 1990 to be $230,000. Included are costs for personnel compensation for a GS-15 Inspector General and an Assistant Auditor at the GS-13 level; federal employee retirement benefits and group health and life insurances; overseas allowances; Foreign Affairs Administrative Support (FAAS) cost reimbursement to the Department of State; and special IG studies. One-time costs for FY 1990 include relocation allowances, office furniture and equipment, and miscellaneous initial supplies.

The FY 1991 estimate for the cost of the Office of the Inspector General is $335,000. Included are recurring operating expenses, i.e., personnel compensation and benefits, overseas allowances, FAAS charges, travel, special studies, and general supplies and services. A secretary for the IG office will be added in 1991 to provide critically needed clerical support.

The chart below reflects a summary of estimated operating expenses for the Office of the Inspector General for FY 1990 and FY 1991.

EXPENSES	FY 1990	FY 1991
SALARIES:		
Inspector General	59,216	62,162
Secretary	0	22,579
Assistant Auditor	12,070	46,591
BENEFITS:		
Inspector General	16,580	17,049
Secretary	0	7,270
Assistant Auditor	3,259	13,036

	FY 1990	FY 1991
ALLOWANCES		
Post Allowance	1,800	4,650
Housing	17,000	31,500
Education	10,100	20,200
TRAVEL	10,500	24,000
Relocation	42,046	0
OFFICE SPACE		
FAAS charges	15,000	15,000
OTHER COSTS	20,000	15,963
SPECIAL STUDIES	22,275	55,000
TOTAL	230,000	335,000

RADIO FREE EUROPE/RADIO LIBERTY
FY 1991 BUDGET

RFE/RL, Inc. is a non-profit corporation, chartered in the State of Delaware, with its broadcast headquarters located in Munich, West Germany. Of its 1,766 employees (as of September 30, 1989), some 1,294 are based in Munich and other cities in the Federal Republic of Germany, 367 at the main transmitter sites in Spain and Portugal, and 105 at offices in Washington and New York.

RFE/RL broadcasts in 23 languages of the Soviet Union, Eastern Europe, and Afghanistan for an average of 1070 hours weekly from one medium-wave and 45 short-wave transmitters. RFE/RL broadcast schedules range from 24 hours a day in Russian to only several hours in some languages of Soviet Central Asia. Newscasts, reviews of the world press and news analyses based on RFE/RL's own area research comprise the majority of airtime.

Impact of Recent Events

In response to the dramatic political developments of 1989 and the cessation of jamming of all broadcasts in late 1988, RFE/RL has substantially increased its presence in the broadcast areas and the amount of first-run broadcasting it does. It has opened news bureaus in Budapest and Warsaw, sent correspondents from Munich to Timisoara, Prague and Sofia, and hired free-lance contributors in a number of cities in the USSR. RFE/RL has also reduced the number of repeat broadcasts and expanded original programming. The Russian Broadcasting Department of Radio Liberty, for example, has increased first-run programming by two hours a day with no increase in editorial staff. The Radio Liberty Nationalities Services have increased their first-run programming by 53% since 1988.

Radio Free Europe and Radio Liberty were created to disseminate news, information and opinion about developments in Eastern Europe and the Soviet Union and to promote stable democratic societies based on multi-party political systems, free economies and the guarantee of human rights. While many of the recent changes in Eastern Europe and the Soviet Union represent encouraging steps in the right direction, political uncertainties continue to loom on the horizon. Radio Free Europe/Radio Liberty continues to play a vital role as an instrument of American moral and intellectual influence among populations that are taking their first steps toward democracy and the creation of open, pluralistic societies.

Importance of RFE/RL Broadcasts

1990 will be the year of elections throughout Eastern Europe. In 1989, RFE featured extensive coverage of the Polish elections. In a political contest that was largely one of personalities, RFE carried interviews with 200 of the roughly 300 independent candidates. If not for RFE, these candidates would have had no opportunity to address a nation-wide audience. The elections resulted in an overwhelming victory for the independents.

In 1990 elections are expected in Bulgaria, Czechoslovakia, East Germany, Hungary, Lithuania, and Romania. Already in Czechoslovakia there are 40 non-Communist political groups, many of which will surely coalesce into electoral alliances. RFE and RL have a vital role to play in seeing to it that all non-Communist groups standing for election have an opportunity to reach their countrymen with information about their political programs, unaltered and in full.

Events in the USSR are unfolding so rapidly and in such unanticipated directions that the communication of objective and timely information, as well as historical background and informed commentary, has become more urgent than ever. Soviet listeners remain skeptical of their official media and eagerly search out RL broadcasts to gain a fresh and objective perspective. No issue is more problematic than the assertion of national rights in the Soviet non-Russian republics. This subject has been at the forefront of RFE/RL programming.

Radio Liberty demonstrates daily the continued need for its broadcasts by filling the many gaps left by the domestic media. No other source allows listeners in Central Asia to follow in detail the rapidly developing struggle for democracy in the Baltic states; no other source provides the Muslim peoples of the USSR with a balanced account of the war in Afghanistan in their own languages and in the context of their own national and religious traditions; no other source broadcasts 24 hours per day in Russian with objective news and commentary.

FY 1991 Budget Increase

The FY 1991 budget for regular operations includes a 4.0% increase -- $6,836,000 -- over the FY 1990 appropriation. This percentage represents projected U. S. domestic inflation (GNP deflator) and will help to offset the impact of overseas inflation on RFE/RL operations. No program increases are planned, and reallocations of resources may be necessary in case of higher inflation. An additional increase of $11,458,000 is included for a foreign currency rate adjustment to reflect November 30, 1989 exchange rates, as required.

Radio Free Europe/Radio Liberty: Foreign Currency Summary

Since 1977 the Board for International Broadcasting has made grants to Radio Free Europe/Radio Liberty at fixed exchange rates and reported quarterly gains and losses due to exchange rate fluctuations to the Office of Management and Budget. This procedure is in accordance with the regulations governing the Board for International Broadcasting Foreign Currency Contingency Fund.

Section 8 (b) of the Board for International Broadcasting Act of 1973 stated (prior to 1984), "The Director of the Office of Management and Budget shall place in reserve and inform the Congress of any amount appropriated under this section which, because of upward fluctuations in foreign currency exchange rates, is in excess of the amount necessary to maintain the budgeted level of operation for RFE/RL, Inc." Funds from currency gains so identified were placed in reserve (apportioned as unavailable). At the end of each fiscal year these funds were allowed to lapse unless losses were certified (according to the regulations) during the same fiscal year.

In 1984, Section 8(b) of the Board for International Broadcasting Act of 1973 was amended. The revision provides that at the end of each fiscal year any remaining currency gains are merged with funds previously placed in reserve from gains (or previously appropriated but not obligated to offset currency losses). In this way, a "reserve fund"(of no-year money) was established from currency exchange gains to be available to fund currency losses in subsequent years. In 1988 Section 8 (b) was further amended providing that funds placed in reserve from currency gains were to be used only for the purpose of offsetting future currency losses to maintain the budgeted level of operations. This reserve fund was depleted by FY 1986, and supplemental appropriations were required in 1986, 1987,and 1988 to cover losses. Foreign currency gains of $19.8 million realized in FY 1989 were placed in reserve in the Foreign Currency Fund.

The FY 1990 appropriation for Radio Free Europe/Radio Liberty is based on currency exchange rates of DM 1.93, Escudos 160.00 and Peseta 121.00 to the Dollar. Funds to cover projected losses of $17.2 million in FY 1990 will be made available from the Foreign Currency Fund. The following table provides a summary of gains/losses on foreign currency purchases from FY 1977 - FY 1990:

Fiscal Year	Budget Rate	Actual Rate	Net (Loss)/Gain
1977	DM 2.58	DM 2.3664	(2,851)
1978	2.44	2.0711	(5,929)
1979	2.1075	1.8650	(7,000)
1980	1.93	1.78	(4,924)
1981	1.74	2.1415	15,679
1982	2.25	2.3545	4,620
1983	2.30	2.5224	8,562
1984	2.50	2.7787	12,308
1985	2.72	3.0884	10,377
1986	3.08	2.32	(24,480)
1987	2.53	1.8891	(30,142)
1988	1.99	1.7398	(18,863)
1989	1.64	1.8696	19,756
1990	1.93	1.7100 (Projected)	(17,175)

RFE/RL, INC.
Expense. / Object Class
FY 1991 Grant Request
(in thousands of dollars)

41.0 GRANTS, SUBSIDIES AND CONTRIBUTIONS	FY 89 Actual		FY 90 Estimate		FY 91 Estimate		FY 91/90 Inc. or Dec.	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Regular Operating Expenses:								
Personnel Compensation:								
Annual Salaries:								
Permanent Employees	1,766	81,009	1,785	78,231	1,791	81,790	+ 6	+ 3,559
Temporary Employees		3,521		2,694		2,713		+ 19
Total - Annual Salaries		84,530		80,925		84,503		+ 3,578
Severance		4,653		4,700		4,700		-
Employee Benefits:								
Taxes		10,516		9,614		10,124		+ 510
Pension Program		19,463		14,405		15,509		+ 1,104
Fringe Benefits		15,839		15,348		16,047		+ 699
Total - Benefits		45,818		39,367		41,680		+ 2,313
Total - Personnel Compensation and Employee Benefits		135,001		124,992		130,883		+ 5,891
Administrative Costs:								
Misc. Fees/Professional Services ...		11,699		10,522		10,723		+ 201
Travel		1,335		1,235		1,262		+ 27
Rent and Utilities		3,106		3,454		3,666		+ 212
Licenses, Royalties and Copyrights .		2,025		1,891		1,949		+ 58
Technical		15,659		14,343		15,388		+ 1,045
News and Information		1,439		1,491		1,551		+ 60
Representation		48		48		48		-
Conferences		92		104		104		-
General and Administrative Costs ...		11,960		10,842		10,985		+ 143
Total Administrative Costs ..		47,363		43,930		45,676		+ 1,746
Capital - Regular:		8,496		3,633		2,832		- 801
Total - Regular Operating Expenses	(DM 1.64)	190,860	(DM 1.93)	172,555	(DM 1.93)	179,391		+ 6,836
Transmitter Site Modernization:		2,800		15,845		8,672		- 7,173
TOTAL EXPENSES, RFE/RL, Inc. (Grants, subsidies and contributions) .		193,660		188,400		188,063		- 337

RFE/RL, INC.
Grant Financing
(in thousands of dollars)

FINANCING	FY 89 Actual Amount	FY 90 Estimate Amount	FY 91 Estimate Amount	FY 91/90 Inc. or Dec. Amount
U.S. Government Grant - RFE/RL Operations.	190,795	172,555	179,391	+ 6,836
U.S. Government Grant - Modernization.....	2,800	15,845	8,672	- 7,173
Total Grant Funding	193,595	188,400	188,063	- 337
Currency Devaluation Fund	(19,756)	-	-	-
Rate Adjustment DM 1.93 - DM 1.78.........	-	-	11,458	+ 11,458
Totals	173,839	188,400	199,521	+ 11,121

RFE/RL, INC.

Summary of Increases and Decreases
(in thousands of dollars)

Regular Operating Expenses:		Amount
Personnel Compensation:		
Annual Salaries - Permanent Employees		+ 3,559
General salary increase of 3.5 percent for employees in West Germany and the U.S., 12 % and 6.8 % for local employees in Portugal and Spain respectively.	+ 2,886	
Within-grade increase in accordance with union contracts and company policy for employees below the top of their grades.	+ 653	
Addition of six positions due to the conversion of Maxoqueira to a transmitter site.	+ 20	
Annual Salaries - Temporary Employees		+ 19
General price increase.	+ 92	
Reduction in temporary personnel.	- 73	
Employee Benefits - Taxes		+ 510
Increase in Social Security, unemployment insurance and other payroll taxes.		
Employee Benefits - Pension Program		+ 1,104
Restoration of funds for the German pension plan contribution to offset the reduction in the FY 1990 contribution. This action was necessary in order to fund the mandatory relocation of employees from the Arabella office to new annex office space in Kustermann Park in Munich, Germany.	+ 1,200	
Net decrease in costs for Iberian pension plans based on actuarial requirements for scheduled retirements.	- 96	
Employee Benefits - Fringe Benefits		+ 699
General inflationary increases for housing and utility costs, home leave and visa travel and local health/life insurance.	+ 378	
Cost increase for Aetna health insurance coverage.	+ 321	

		Amount
Administrative Costs:		
Miscellaneous Fees and Professional Services		+ 201
General price increases for outside professional services (e.g. actuarial, research, protective services, consultants, legal).	+ 102	
Increased costs for protective services in connection with the Maxoqueira transmitter site modernization.	+ 99	
Travel		+ 27
General increase in travel costs.		
Rent and Utilities		+ 212
General increase in rents and utilites.	+ 85	
Annualization of costs for new annex office facilities in Munich.	+ 127	
Licenses, Royalties and Copyrights		+ 58
General increase in licenses, royalties and copyright costs.	+ 22	
Increased license fee due to the addition of two 500 kW transmitters in Maxoqueira.	+ 36	
Technical		+ 1,045
General increase in costs for power, maintenance and repairs, communications and spare parts.	+ 731	
Power and spare parts cost increases due to the addition of two 500 kW transmitters in Maxoqueira.	+ 314	
News and Information		+ 60
General increase in costs for news and information services.		

		Amount
General and Administrative Costs		+ 143
General price increases for postage, office supplies, telephones, general repairs, general insurance, building maintenance, equipment maintenance, teletype, books and publications, and equipment rentals.	+ 259	
Reduction for one-time costs in connection with the move to new annex office space in Munich.	- 116	
Capital Expenditures:		
Capital Expenditures - Regular		- 801
Reduction for one-time costs for equipment and site preparation in connection with the move to new annex office space in Munich.	- 700	
Reduction for one-time costs for office, computer, and technical equipment for news bureaus in Budapest and Warsaw.	- 101	
INCREASE RFE/RL OPERATIONS		+ 6,836
Capital Expenditures - Technical Modernization		- 7,173
Maxoqueira Modernization Project Balance.	+ 8,672	
Adjustment for FY 90 costs for Maxoqueira Modernization.	- 15,845	
TOTAL DECREASE		- 337

RFE/RL, Inc.
Personnel Distribution
FY 1989 - FY 1991

	Staffing Pattern		
	FY 1989	FY 1990	FY 1991
Radio Free Europe Division			
Bulgarian Broadcasting Dept.	40	40	40
Czechoslovak Broadcasting Dept.	80	80	80
Estonian Language Service	10	10	10
Hungarian Broadcasting Dept.	76	75	75
Latvian Language Service	9	11	11
Lithuanian Language Service	9	11	11
Polish Broadcasting Dept.	80	86	86
Romanian Broadcasting Dept.	54	53	53
Research	64	66	66
Management	4	5	5
Total	426	437	437
Radio Liberty Division			
Armenian Language Serv.	7	8	8
Georgian Language Serv.	9	8	8
Belorussian Language Serv.	9	9	9
Ukrainian Language Serv.	27	26	26
Azeri Language Serv.	7	7	7
Kazakh Language Serv.	11	10	10
Kirghiz Language Serv.	6	6	6
Tajik Language Serv.	7	6	6
Tatar-Bashkir Language Serv.	6	8	8
Turkmen Language Serv.	5	6	6
Uzbek Language Serv.	10	10	10
Radio Free Afghanistan	7	6	6
Russian Broadcasting Dept.	89	90	90
Research	32	31	31
Management/Monitoring	49	45	45
Total	281	276	276
Program Services	216	220	220
News & Current Affairs	93	98	98
Finance	37	38	38
Management/Administration	184	184	184
Engineering	529	532	538
Totals	1,766	1,785	1,791

Radio Free Europe/Radio Liberty

Broadcast Hours By Language

	Daily Operation Programming	Daily Airtime	Weekly Airtime
Radio Free Europe			
Bulgarian	4:40	8:55	62:25
Czechoslovak	7:50	20:50	145:40
Hungarian	8:30	18:05	126:35
Polish	8:25	19:40	137:40
Romanian	7:30	13:50	97:00
Estonian	0:55	3:00	21:00
Latvian	1:00	3:00	21:00
Lithuanian	1:05	3:00	21:00
Radio Liberty			
Russian	8:05	24:00	168.00
Afghan	1:10	2:00	14:00
Armenian	0.50	3:00	21:00
Azerbaijani	1:10	5:00	35:00
Belorussian	1:05	4:00	28:00
Georgian	1:00	3:00	21:00
Kazakh	1:10	4:00	28:00
Kirghiz	0:35	2:00	14:00
Tajik	1:10	2:00	14:00
Tatar-Bashkir	0:50	4:00	28:00
Turkmen	0:45	1:30	10:30
Ukrainian	2:25	13:55	97.25
Uzbek	1:15	3:00	21:00

Hours: Minutes - Totals are rounded to the nearest five minutes

TECHNICAL SITE MODERNIZATION

FISCAL YEARS 1985 - 1991

Beginning in 1985 the Board for International Broadcasting has pursued funding for a critically needed technical modernization program for Radio Free Europe/Radio Liberty (RFE/RL). This program includes the refurbishment of RFE/RL's existing transmitter sites, originally estimated at $77,250,000, and the construction of a new site strategically located in Israel for the joint use of RFE/RL and the VOA, estimated to cost $274 million. Appropriation of the FY 1991 request for technical modernization -- $8,672,000 for the refurbishment project and $23,978,000 for the Israel project -- will complete this multiyear program, giving RFE/RL the ability to transmit a clear, audible signal to millions of listeners.

(in thousands of dollars)

TRANSMITTER SITES	FY 1985/86	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	TOTAL
Gloria, Portugal	11,366	4,650	-	-	2,257	-	18,273
Maxoqueira, Portugal	-	7,328	11,303	2,800	12,878	8,672	42,981
Biblis, W. Germany	3,486	1,144	-	-	555	-	5,185
Lampertheim, W. Germany	458	5,075	-	-	155	-	5,688
Pals, Spain	1,645	150	-	-	-	-	1,795
SUBTOTAL	16,955	18,347	11,303	2,800	15,845	8,672	73,922
Israel Project	-	-	34,000	33,000	183,022	23,978	274,000 *
TOTAL	16,955	18,347	45,303	35,800	198,867	32,650	347,922

* In addition, VOA contributed $16 million to support this project.

REFURBISHMENT PROGRAM FOR EXISTING SITES

In 1985 Congress appropriated funds to begin the critical refurbishment of RFE/RL's five transmitting stations and endorsed a plan estimated to cost $77,250,000 over three years. The current cost estimate has been revised to $73,922,000. Congress and the Executive branch have consistently approved funding for this important effort; $65.2 million has been appropriated to the BIB to date and the remainder is being requested in FY 1991. This funding has been applied to the refurbishment of the transmitter sites in Biblis and Lampertheim in West Germany, Pals in Spain, and Gloria and Maxoqueira in Portugal.

The remaining $8.7 million requested in FY 1991 is required to complete the final phase of the conversion of the former receiving station in Maxoqueira to a state-of-the-art transmitting facility. This station will be remotely controlled from the Gloria, Portugal site in order to keep staffing at a minimum. The conversion will be completed and the new transmitting station operational by December 1992.

Progress

Since receiving the initial funding for the refurbishment program at the end of FY 1985, rapid progress has ensued. All technical goals have been met or exceeded within budget. The technical site modernization plan includes renovation of the Lampertheim and Biblis transmitting facilities in West Germany, the refurbishment of the Gloria transmitting facility in Portugal and the conversion of the Maxoqueira receiving site to a six-500kW transmitting station.

In Gloria eight transmitters ordered in 1985/1986 have been installed and are now in normal broadcast service. A modern computerized coaxial switch matrix system was delivered in early 1989, and is now being installed. The system is scheduled for completion in early 1990.

Coaxial switch matrix systems for both Biblis and Lampertheim were ordered in 1987. The Biblis switch matrix system has been delivered and is now being installed by the RFE/RL staff. Similarly the Lampertheim switch matrix and ancillary equipment have been delivered. Installation is progressing toward a scheduled completion by the end of 1990.

To further modernize and enhance the broadcasting capability of Biblis and Lampertheim, contracts were awarded to Thomson-CSF for the delivery of three new 100 kW shortwave transmitters. Two of these will be installed in Lampertheim and one in Biblis, in early 1990.

In November 1988, RFE/RL initiated the systems design phase of the Maxoqueira Transmitting Station in Portugal(i.e. conversion of the current Maxoqueira Receiver Site to a transmitter facility). The first phase, under FY 88/89 funding, called for purchase of four 500 kW transmitters and four triplexed curtain antennas, along with associated switch matrix, baluns, and coax transmission lines. The first transmitter is scheduled to be on-air by July 1991. To date, the program is progressing very well. The four transmitters are being purchased from the firm Asea Brown Boveri, with the first transmitter to be delivered in August 1990. Other major purchases have been concluded for the RF baluns, RF switch matrix, and coax transmission lines, all with TCI of California; and for the six curtain antennas from the Thomson-CSF Company. An architectural design firm, has completed the plant design for all buildings, and systems design for roads and primary power at the site is underway. Other parts of the total plant and system are in the planning and design stages; the overall program at this time is holding to schedule.

The FY 1991 budget request of $8,672,000 is required to complete conversion of the Maxoqueira site. These funds will be used for construction and furnishing of the facility buildings; construction of perimeter and antenna field servicing roads; integration of the audio and control console systems; completion of the automatic remote control operation system; interfacing the satellite program link; and completion of the site security system.

Mr. **Dwyer**. We are pleased to welcome back to the committee today the Chairman of the Board for International Broadcasting, Steve Forbes, Jr.

Mr. Forbes, please identify those who are with you today and we will take your statement.

Mr. **Forbes**. Thank you very much, Mr. Chairman.

On my right, physically but not politically, is the ranking Democrat on our Board, Ben Wattenberg, Vice Chairman. On my left is the President of Radio Free Europe/Radio Liberty, who does our day-to-day operations, Chief Executive Officer Gene Pell.

With your permission, Mr. Chairman, I would like to submit my formal testimony for the record and not read it to you this afternoon, but just make some informal remarks with some highlights. If that is agreeable, I would just like to touch——

Mr. **Dwyer**. Absolutely.

Mr. **Forbes**. Thank you.

CURRENT ROLE OF RFE/RL

I would like to touch on some of the basic questions concerning the role of Radio Free Europe/Radio Liberty today, particularly in Eastern Europe, where the most dramatic changes have taken place.

First, we believe that not too many people in this country and the West realize just how critical a role the Radios have played in what has been happening and is happening in Eastern and Central Europe.

EXAMPLES OF RFE/RL'S ROLE

The former head of the Polish Service, Mr. Jan Nowak, visited Poland a few months ago. He had been persona non grata in that country for 40 years. If he had gone there before the Solidarity government took power, he would have been arrested and probably tried for treason.

He was greeted as a long lost hero, with banner headlines, and when he went to the Parliament and went before the Speaker of the Parliament, Mr. Geremek said to Nowak, "Jan, if it were not for you and RFE, we would not be here."

Another dramatic example was when Lech Walesa came to this country in November, he was asked the question, what role did RFE, Radio Free Europe, play in the events in Poland in the past 10 years and the dramatic events of the past in Poland, he responded with the question, "What would the earth be without the sun?"

Finally, a dramatic example took place in December, with the revolt in Romania against Ceausescu. The political reason why that revolt succeeded was the refusal of the army to go with the Securitate forces and the government and go against the people.

A critical reason why the army officers in the Romanian army did that, we have been told from a number of sources, are the number of broadcasts that we did with special appeal to the officers of the Romanian Army, reminding them that, by long tradition over many centuries, the Romanian Army has never been used or had a tradition of firing on its own people, it has always been external enemies, not internal citizens. We have been told that had a very profound impact on many officers and that is a critical reason why they threw their lot to the demonstrators and the people and not with Ceausescu.

Moreover, we just received this morning, Mr. Chairman, a letter from Mr. Walesa, in discussing the future role of Radio Free Europe, he says in his letter, "Now, in the newly emerged independent Poland, the intellectual forum and the place for free political debate which RFE/RL offered, together with its high journalistic standards, will continue to play an important role in Poland, and not only in Poland. Its integrating role is needed by the whole of Eastern Europe during her not always and not everywhere certain process of democratization."

As you know, Czechoslovak President Vaclav Havel spoke before Congress a few hours ago. He has long been a vigorous, outspoken supporter of Radio Free Europe. He has said in the past, "You are the surrogate of the free and independent communications media which ought to exist over here. This is why I myself and many others turn to you."

In recent weeks, when we have asked some of these new leaders in Eastern and Central Europe about the continuing role of Radio Free Europe, they have all emphatically said that they do not believe that the battle is yet won, that certainly in the next two or three years in Eastern Europe, these radios will be playing a critical role.

First, of course, is that there is always the possibility, as remote as it may seem, there is always the possibility of a reaction in the Kremlin that could jeopardize or even thwart the changes that are taking place. Mr. Gorbachev may not be around 12 months from now, there is always that uncertainty.

NEW DEMOCRACIES NEED RFE/RL

But second, they are also very concerned by what is taking place in their own countries. For example, they are still working to root out the Communist Party apparatus from the bureaucracy and the institutions in those countries, they are still working to establish an independent judiciary, they are still working these new governments, to get them freely elected and to establish firm control over the military and police in those countries, which is still ongoing, it has not happened yet, and, of course, they are looking to establish a genuinely independent media in those countries.

It is one thing to have free speech, but quite another where you have outlets for that free speech. A good example is in Hungary today. There is an election coming up in a few weeks, and one of the complaints about the way the Hungarian state media have been covering that election is that the new parties say that they have been given short-shrift, their candidates cannot get speaking time, the platforms do not get publicized, and they are looking to us to do that kind of work.

Moreover, the new Solidarity head of the Polish radio and television system in Poland, the government system, was asked, "Does RFE continue to be needed?" He said it is imperative that RFE continue broadcasting, since the current Polish broadcast system lacks the competitive nature of a free media.

So, even in Eastern Europe, where the most progress has been made in recent months, there still is a way to go before these roots are firmly established.

What is also important to keep in mind is that Radio Free Europe and Radio Liberty have 23 language services. In four, there has been significant progress. Obviously, in Hungary, Poland and the two services, Czech and Slovak in Czechoslovakia.

In Bulgaria and Romania, some progress has been made, but it is still problematic, as to the course of events in the next few months and the next few years. They are not as far as Hungary, Poland or Czechoslovakia.

Moreover, in the Soviet Union itself, where our other language services go, there is still a considerable way to go to get where Eastern Europe is today, and that is why the listenership to Radio Liberty in the Soviet Union and to RFE in the Baltic States has increased very dramatically in recent months, since the cessation of jamming. People, in effect, are voting with their dials, because they see us as the source of information, accurate information and analysis of what is going on and the changes that are taking place.

A good example of the need in the future for an entity like Radio Liberty is in Soviet Central Asia. This is the home of 50 million Moslems. Change is sweeping that region. It is the fastest growing population center in the Soviet Union. Nationalism there is growing and the critical question in the next few years and in the next decade or so is which kind of forces will eventually dominate in that part of the world, especially as they get more and more autonomy. Will it be the forces of fanaticism, extremism, violence and intolerance, or will it be the still weak forces of democracy, tolerance and enlightenment? And Radio Liberty is the only one that is attempting to send a signal from the West to many parts of that region and it is imperative that we do not abdicate our role of advocating democratic values to that part of the world and thereby leave the field to extremists.

So, even though extraordinary change is taking place and we hope will continue to take place, there is no reason yet to believe that we are entering a new utopia world, where democratic values no longer need to be protected. We can see our role as continuing to protect and enhance those values and, hopefully, some day we will all have democracies, but we are not there yet.

Thank you very much, Mr. Chairman.

[The statement of Mr. Forbes follows:]

February 21, 1990

STATEMENT OF MALCOLM S. FORBES, JR., CHAIRMAN

BOARD FOR INTERNATIONAL BROADCASTING

BEFORE THE SUBCOMMITTEE ON COMMERCE, JUSTICE, STATE, THE JUDICIARY AND RELATED AGENCIES

OF THE APPROPRIATIONS COMMITTEE

U.S. HOUSE OF REPRESENTATIVES

FOR FISCAL YEAR 1991

Mr. Chairman, I am grateful for the opportunity to appear before your Subcommittee today to testify about Radio Free Europe/Radio Liberty. I want to begin by expressing, on behalf of the entire Board, our deepest appreciation to your Subcommittee for the tremendous support you have given us over the years. Without your assistance, Radio Free Europe/Radio Liberty would not have been able to accomplish all that it has; you, like the radio station, deserve much of the credit for what is taking place in Eastern Europe today.

Mr. Chairman, as you know, the past six months have witnessed remarkable events in Eastern Europe. Revolutionary forces have swept the Communist countries of that region, and upheaval is threatening the Soviet Union as well. Democracy, freedom, and human rights are beginning to blossom in a part of the world where they have been denied for forty years or more. Poland led the way by electing Tadeusz Mazowiecki as Prime Minister in August 1989. Since then, in six short months, every government in Eastern Europe has been radically transformed. The opening of the Berlin Wall was the signal to the oppressed peoples of Eastern Europe that their day had come. It was followed by a literal peoples' revolution in Czechoslovakia, culminating in the election of Vaclav Havel as President; the ousting of conservative Communist leaders from Bulgaria and East Germany; the advancement of democratic forces in the newly-named Republic of Hungary; and, most dramatic of all, the overthrow of Nicolae Ceausescu and his regime in Romania.

Radio Free Europe/Radio Liberty was a critical catalyst in bringing about and shaping this "Revolution of 1989." It presented an historic challenge to RFE/RL and I believe we have met that challenge with a standard of journalism that we can all be proud of. But my praise means little when compared to the comments we have received from the new leaders in Eastern Europe and from ordinary citizens.

First I would like to pass on to the Congress poignant comments from a prominent Romanian artist who had been in and out of Ceausescu's prisons and called Munich after the uprising:

> "I am calling to thank you for all you have done, for all your radio station has done -- you were truly our moral support. The scant news we received in prison regarding all the efforts on our behalf, made with your help, literally made it possible for me to resist all these years. That is why I want to thank you, and to ask you to convey my thanks, OUR thanks , to the Congress and people of the United States for having financed and maintained your radio station."

A journalist from the Chicago Tribune reported that Romanians continually approached American journalists asking if they were from Radio Free Europe and seemed disappointed when they were not. One Bucharest man said, "If you see the Radio Free Europe people, tell them we've all been listening. They've kept us alive."

During Lech Walesa's recent trip to Washington he was asked about the contribution of RFE to the rise of Solidarity and the developments in Poland. His response: "Its contribution was enormous. Poland without Radio Free Europe would be like a land without sunshine."

The former director of RFE's Polish Service, Mr. Jan Nowak, recently returned to a hero's welcome in Warsaw following a 45 year absence. At a meeting with Solidarity parliamentarian Bronislaw Geremek, the leader of the Solidarity caucus declared: "Without you we would not be here."

Last month Andrej Dravicz, the former activist and new head of Polish Radio and Television, visited Washington and spoke highly of the importance of RFE in Poland today. He noted that despite the changes which have occurred, it is imperative that RFE continue broadcasting, since the current Polish broadcast system lacks the competitive nature of a free media.

Events in Czechoslovakia moved quickly precisely because news about developments elsewhere was received so readily. RFE's importance as a surrogate domestic medium of news and analysis was underscored by Czechoslovakia's most prominent dissident playwright, now the President, Vaclav Havel, when he said in a letter to RFE: "People consider you to be the main independent medium. You are the surrogate of the free and independent communications media which ought to exist over here. This is why I myself and many others turn to you."

RELAY STATION IN ISRAEL

On June 18, 1987 the Agreement between the United States and Israel was signed, establishing the terms by which a short-wave radio relay station in Israel would be designed, constructed and operated for the joint use of Radio Free Europe/Radio Liberty and the Voice of America.

The station's location, 20 miles south of the Dead Sea in the Arava region of Israel, is critical. It will allow millions of listeners currently served with poor reception to receive reliable signals because the station will be within one-hop distance (1,000 to 2,000 miles) of the key audiences. The importance for the BIB of this new U.S. radio relay station under construction in Israel is not diminished by the recent developments in Eastern Europe. Of the 37 antennas designed for the Israel station, only six are directed toward Eastern Europe, for VOA's use. The principal broadcast target for RFE/RL from the Israel site is the Central Asian region of the Soviet Union, an area of ongoing tension and increasing importance in the Muslim world, as well as a region of growing importance to U.S. foreign policy. The broadcast regions for the Voice of America from this site include portions of Africa, India, Pakistan, Afghanistan, the Soviet Union and Eastern Europe.

The Board for International Broadcasting, the lead federal agency overseeing the design and construction of the project, grants funds to International Broadcast Systems, Inc. (IBS), a non-profit corporation established as a special project office for the sole purpose of carrying out this project. The station will be operated according to RFE/RL and VOA operational requirements by an Israeli Government entity, TOMER (Transmissions of Middle East Relay Project Management), created specifically for this purpose. TOMER's pre-operational role is to coordinate with BIB and IBS in both the design and construction of the station.

Progress

The technical design of the station is now complete. All four major contracts, for construction of the station are scheduled to be awarded in 1990, pending approval of the National Outline Scheme (NOS).

The first contract between IBS and an Israeli company was signed on May 26, 1988, with MA'ATZ, the Israeli Highway Department providing for the design and construction associated with relocating approximately seven miles of Israel Route 90, and the diversion of flood waters around the area to be occupied by the station. In September, 1989, the two-year contract for construction was awarded by MA'ATZ to the Israeli firm of NADIR Construction & Engineering.

The architect-engineer design contract was signed on August 8, 1988, with the A-E Partnership of Ammann & Whitney, Inc., Louis Berger International, and IPC-M&E Engineering. This contract, which is for the design of the entire station, calls for the construction to be divided into four major contracts: (1) Site Preparation and Water Systems, (2) Super High Voltage Substation, (3) Buildings and Facilities, and the (4) Broadcast System, which will include a sophisticated security system. The design contract also calls for the preparation of the Environmental Impact Statement and National Outline Scheme, required by Israeli law.

Since January, 1989, the A-E Partnership has submitted, on schedule, the Conceptual, Preliminary, and Draft Final designs. Contracts 1 (Site Preparation and Water Systems) and 2 (Super High Voltage Substation) were advertised in June, 1989, and Contracts 3 (Buildings and Facilities) and 4 (Broadcast System) are expected to be advertised the second quarter of FY 1990. Pending approval of the National Outline Scheme, all four contracts are expected to be awarded in FY 1990.

Beginning in 1988, IBS has contracted the Israel Electric Corporation (IEC) to supply electricity to the station and to provide for interim power to the site. IBS has also contracted with the Israeli Water Company, Mekoroth, to provide a temporary water supply during the initial stages of construction and to study the various options for a permanent water supply. In 1989 a contract was signed with BEZEQ, the Israel Telephone Company, to supply the site with temporary telephone service.

Current Activities

Currently IBS is relocating six engineers and their families to Israel. IBS expects to advertise Contracts 3 and 4 in the second quarter of FY 1990, after which the four major construction contracts, described hereunder, will be underway.

CONTRACT 1, Site Preparation and Water Systems, will include earthworks, unpaved roads, flood control channels, culverts, fencing, water supply system with treatment plant and reservoir, waste water disposal system, and miscellaneous temporary facilities. The estimated cost is $12 million and the duration of the contract will be about 13 months.

CONTRACT 2, Super High Voltage Substation, includes the provision of two transformers, switching and relay equipment, steel structures, fencing, earthwork, and miscellaneous ancillary items. The estimated cost for the substation is $3 million and the contract period will be approximately two years.

CONTRACT 3, Buildings and Facilities, will consist of buildings and related structures for the station, including: transmitter/administration, maintenance and storage, emergency generator and switching, shelter, guards' quarters, cafeteria, gatehouse and the vehicle service shed. Also included under this contract is the power distribution system, underground utilities, and finished grading and paving. The cost of this contract is estimated at $14 million and the time for contract completion 18 months.

CONTRACT 4, Broadcast System, includes 16 transmitters, (RFE/RL-10, VOA-6), 37 antennas, (RFE/RL-15, VOA-22), transmission lines, switch matrix, audio subsystem, local operations center, satellite dishes, and the site security system. In addition, numerous support tasks, such as systems integration, training, logistics and resupply management, will be a part of this contract. The estimated total cost is $192 million, of which $181 million has been obligated in FY 1990. The remaining $11 million is requested in FY 1991. The duration of this contract is estimated to be 36 months.

Other Activities, ongoing in FY 1990, include the relocation of Route 90, the furnishing to the site of temporary and permanent power supplies, and the provision of a temporary telephone service to the site.

FY 1991 Budget

The current estimate for the total construction costs for the relay station is $274 million.* Congress appropriated $34 million in FY 1988, $33 million in FY 1989, and $183,022,000 in FY 1990. With the appropriation of $23,978,000 in FY 1991, BIB expects to complete the relay station. The FY 1991 estimate is for the following:

(in thousands of dollars)

Broadcast System...10,978

This amount will fund the final two (of sixteen) 500 kw transmitters, including all associated switchbay cross-points and transmission lines, and installation and integration into the nearly completed station.

Construction Support Services...5,923

Support Services include on site quality control inspection and certification of subsystem installation and testing; off site quality control of manufacturers' and vendors' compliance with subsystem requirements including verification and testing subsystems; shop drawing review and approval of subsystem components prior to fabrication including documentation of all changes to the original design for configuration control and system integration; and documentation of all changes to subsystems equipment hardware and software from the approved shop drawings and original design drawings and specifications.

Administrative Costs..7,186

	FY 1991	FY 1992	FY 1993
Salaries and Benefits...........	2,159	2,291	774
Travel and Transportation.......	236	167	299
Rent, Communication & Utilities.	226	237	94
Other Services..................	257	206	61
Supplies and Materials..........	64	72	32
Capital Expenditures............	4	4	3
TOTAL	2,946	2,977	1,263

*In addition, VOA contributed $16 million in support of this project.

An employee of RFE's Czechoslovak broadcast division, Karel Kryl, returned to Prague in December to a hero's welcome as he led more than 150,000 demonstrators in Wenceslas Square in the singing of the national anthem.

From the Soviet Union we also are receiving tremendous direct feedback on the impact of RFE/RL broadcasts on developments there. A member of the Soviet Congress of People's Deputies was recently interviewed by RL in Washington. She not only admitted that she and many of the People's Deputies listen to RL news but also indicated the limitations of glasnost in the media and the need for RL's continuation. The fact that two-thirds of the delegates to the Congress of People's Deputies are appointed by party and state organizations is yet another indication of how important it is for the US to broadcast about real democracy into the Soviet Union.

RFE/RL's office of Soviet Area Audience Research recently quoted a young Ukrainian engineer as saying, "The same information appears on our television only long after it has been broadcast by RL." The challenge RFE/RL presents to domestic media is clearly demonstrated by such examples.

CURRENT ACTIVITIES

1989 has been a year of remarkable developments for RFE/RL. One year ago all jamming of RFE/RL ceased. For the first time in nearly forty years, RFE/RL listeners do not have to strain to hear its programs through jammed signals. The impact on audience listening rates has been dramatic. In Eastern Europe, RFE has maintained its large listenership while in the Soviet Union we have witnessed a significant increase in RL's audience.

History was made when RFE/RL opened news bureaus in Budapest and Warsaw last year. The permanent accreditation of RFE/RL correspondents in these countries and the ability to cover events from behind what is left of the Iron Curtain is not only invaluable to our listeners but represents increasing acceptance of the free flow of information and ideas by these nations.

In 1989 we witnessed a veritable explosion of person-to-person contacts with the East bloc: RFE/RL correspondent visits, direct phone calls, telefax, interviews with prominent dissidents and government leaders, and reports from stringers. These improved contacts have had a tremendous impact on the accuracy of our broadcasts and the rapid reporting of events. Radio Liberty's freelance correspondents in the USSR have built up such a sound reputation for reliable reporting that Western correspondents in Moscow tune in regularly to RL's Russian broadcasts to be sure of not missing the main stories of the day. Freelancers are doing similar work for us in Poland and Hungary. They provide not only interviews, but live, first-hand reporting on important events such as elections and changes in government leadership positions.

THE ROLE OF RFE/RL

Given the dramatic progress made in Eastern Europe, some observers have asked if Radio Free Europe is still necessary. In fact, its role continues to be extremely important, perhaps more important than ever, despite the positive changes that have occurred in that region. It would be premature to talk of dismantling an instrument that did so much to make those changes possible.

To begin with, we must realize that the battle for freedom and democracy in Eastern Europe is not yet over. The first totally free and open elections have still to be held in all of the countries of Eastern Europe; the outcome and fairness of those elections remains in the balance. Communist parties control many key levers of power in most countries of the region, including the ultimate levers of power, the military and the police. Even in countries where change has taken place at the top, on the local level an intense struggle for political control is still raging in almost every province of every country, with the outcome very much in doubt. The success of the democratic revolution in Eastern Europe continues to rely to an uncomfortable degree on the survival and political success of Mikhail Gorbachev.

The situation, in other words, is very tenuous. No one can predict what will happen even during the coming year, much less beyond. In the meantime, RFE/RL is still the only international broadcaster whose primary mission is to report on the internal affairs of the countries to which it broadcasts. VOA, BBC, Deutsche Welle, and other national radio stations, concentrate on international news and news about their own country; only RFE/RL serves as a surrogate home station or domestic media. This is a vital role that needs to be fulfilled vigorously until such time as these countries have thriving independent media of their own.

Independent broadcast media are almost nonexistent in the region at this time, and independent print media are only barely getting on their feet. Gazeta Wyborcza may be the only independent newspaper between the Elbe and the Pacific, as its publishers claim, but it is too small and poorly financed to attract the kind of mass audience that shortwave radio can reach. RFE/RL also remains the primary source of information in most countries of the region. Hungary is an exception, perhaps, but even there the state media have give short shrift to the numerous smaller parties competing in the upcoming elections in March. Only RFE/RL gives exposure to all parties and covers all salient aspects of the upcoming vote.

In short, we will feel that our mission is accomplished only when democracy and free, representative government have acquired stable roots in the East bloc. Only when such a situation develops and a reasonable period of time has passed to ensure that the situation is real and lasting, can we talk of Radio Free Europe/Radio Liberty's mission being completed. Until then, it would be premature to curtail our broadcasting efforts. Unfortunately, not a single country in the broadcast area meets all of these milestones at the present time.

FISCAL YEAR 1991 BUDGET

The changing political scene in Eastern Europe opens up new opportunities for Radio Free Europe/Radio Liberty. These opportunities are the reason our FY 91 Budget is so important.

BIB's budget request for FY 1991 reflects no enhancements but rather 4% inflation for operations. RFE/RL will reprogram internally as necessary to pursue its changing mission within current operating levels. In addition we are requesting $8,672,000 to complete a program begun five years ago to refurbish RFE/RL's existing transmitting facilities in Portugal and West Germany. Despite the delays in funding and inflation, this program originally estimated to cost $77,250,000 will be accomplished within the original time frame and at a cost of over $3 million less than originally estimated for the total Technical Modernization Program. Conversion of the existing receiving station at Maxoqueira, Portugal into a transmitting facility is underway and initial broadcasting from this station is scheduled to begin in 1991. Finally, to complete the construction of a new radio relay station in Israel, for the joint use of the Voice of America (VOA) and RFE/RL, BIB requests $23,978,000. Congress has appropriated in Fiscal Years 1988, 89, and 90 $250 million of the total estimated cost of $274 million in new budget authority needed for the design and construction of this critically needed new site.

The new U.S. radio relay station under construction in Israel remains a high priority for both the Voice of America and Radio Free Europe/Radio Liberty; its importance is not diminished by the recent developments in Eastern Europe. The principal broadcast target for Radio Liberty from the Israel site is the Central Asian region of the Soviet Union, an area of ongoing tension and increasing importance in the Muslim world, as well as a region of growing importance to U.S. foreign policy. RFE/RL will not use the new site in Israel for any broadcasts to Eastern Europe.

The broadcast regions for the Voice of America from this site include portions of Africa, India, Pakistan, Afghanistan, the Soviet Union and Eastern Europe. These are areas to which the U.S. will continue broadcasting indefinitely. Of the 37 antennas designed for the Israel station, only six are directed toward Eastern Europe.

The current design of the station takes into consideration the cessation of jamming. Ten antennas have been cut from the original station design which would largely have been used to reach jammed areas.

The Israel station's location is critical. It will allow millions of listeners currently served with poor or no reception to receive reliable signals because the station will be within one-hop distance (1,000 to 2,000 miles) of the key audiences. The station will be equipped with modern 500 kW transmitters that will enable the US to maintain a competitive signal in an increasingly crowded shortwave broadcasting spectrum. Every consideration has been given, and extensive studies undertaken, to assure the ecological balance of the region in which the station is being constructed and the environmental safety of the station's area.

Future Prospects and Directions

What lies in the future for Radio Free Europe/Radio Liberty? We will continue to provide the best possible coverage of developments in Eastern Europe and the Soviet Union, providing the basic information necessary for the peoples of those countries to shape their destiny and forge a brighter future. The pace and direction of democratic development in each country will doubtless differ, and we may see examples of retrogression and reaction. No one can predict the future, as I said earlier.

In 1973, the Eisenhower Commission issued its report to the President on the future of RFE and RL with a recommendation that the BIB be created. In concluding that the Radios play a vital role in US foreign policy and should be openly funded by the Congress, the Commission noted that RFE and RL "actually contribute to a climate of detente rather than detract from it." This finding remains true today.

RFE/RL will continue to support forces of democracy, freedom and human rights by encouraging, nurturing, and protecting the fledgling democratic institutions now emerging. For example, in Hungary we are the only radio station that is providing extensive coverage of the ongoing election campaign. The state radio is giving short shrift to the smaller parties involved in the election, and other Western broadcasters are not giving the airtime to cover this election. RFE/RL thus becomes the radio station of choice for interested voters and election watchers.

Radio Free Europe/Radio Liberty also has the ability to focus its listeners' attention on transnational issues common to Central Europe, focusing on how other countries emerging from Communism are solving their economic and political problems. This is more than cross-reporting; it is an attempt to give the region a sense of common purpose and minimize nationalist strife.

RFE/RL can also serve as a bridge between the democracies of the West and those emerging tentatively in the East; it can inform, pose questions, and illuminate the philosophical undergirding of Western society in a context meaningful to each audience.

Another way we could encourage democracy would be to help train journalists from Central Europe, thus midwifing the birth of free and independent journalistic institutions in those countries.

Conclusion

Given the situation in Eastern Europe and the Soviet Union the FY 1991 budget for Radio Free Europe/Radio Liberty is the least we should do to continue to promote democratic development in this vital region of the globe. Zbigniew Brzezinksi said the following of America's contribution to Eastern Europe:

> "The most important and perhaps least recognized service that America has rendered over the years to the preservation of a European identity in Eastern Europe has been its sponsorship of Radio Free Europe. Though its broadcasts have been frequently jammed, RFE has almost singlehandedly prevented Moscow from accomplishing a central objective: the isolation of Eastern Europe from the rest of Europe, and the ideological indoctrination of its people."

That mission is as vital as ever now and more urgent than at anytime in our history, for the prospect of success is in sight. I urge the Committee to support us in this exciting undertaking. Mr. Chairman, thank you very much for your time today.

Mr. **Dwyer**. Thank you, Mr. Forbes.

Mr. Wattenberg, Vice Chairman?

Mr. **Wattenberg**. I have no statement, Mr. Chairman.

Mr. **Dwyer**. Well, you have outlined that you still have a real obligation to proceed as usual, but does the Administration anticipate any rearranging at all, given the events in Europe?

ADMINISTRATION POLICY

Mr. **Forbes**. Not yet, certainly not right now. Obviously, if forces of change continue, we will have to look at each of these language services separately and see how much progress is being made in ascertaining that these countries are establishing democracy, in terms of free elections, in terms of an independent judiciary, in terms of establishing control over the forces in those countries, particularly the military and the police.

But we think eventually there will be studies done to look at the role of international broadcasting. One of your colleagues, Chairman Dante Fascell of the House Foreign Affairs Committee, has written a letter to President Bush proposing that there be a bipartisan commission of eminent citizens appointed to take a thorough, balanced look at the needs of broadcasting in the future.

Our own belief is, whatever configuration emerges eventually, there is the need for the West, particularly the United States, to do broadcasting to those parts of the world. What kind of structure or what name they give to it remains to be seen, but we think the mission is still there.

RFE/RL STAFFING

Mr. **Dwyer**. You do not anticipate any reductions in staff in the immediate future?

Mr. **Forbes**. Not in the immediate future, although someday it could take place, with these East and Central European services. But we would like to point out—and Gene Pell can speak to it far more eminently than I could, far more persuasively—the fact that our Russian services, particularly the Ukrainian service and the Central Asian services, are all understaffed. They are not up to snuff to the services that we have for Eastern Europe.

Mr. **Pell**. Well, we have for the last several years, in requests to the OMB, emphasized the need for more broadcasting to the Ukraine and the Soviets in Central Asia. The Ukraine is 50 million people. It is really the linchpin of the USSR, as it is known today. It is an area in which there is considerable movement toward the formation of opposition groups and democratic fronts. It is an area from which we hear constantly why can't you broadcast more to the Ukraine.

We are on the air now about three hours a day in original programming. I submit that we should be doing at least twice that amount of broadcasting into an area that is that important. The same thing applies to many of the republics of the USSR in Central Asia, where, as Mr. Forbes pointed out, the population is growing rapidly and where there is considerable turmoil. We are the only western voice addressing many of these countries.

For example, we are the only western broadcaster to Tadzhikistan. In Dushanke, the capital, as you know, there has been considerable unrest and turmoil, even approximating civil war, there and in some other countries.

I think that we should be doing more broadcasting to the Baltic States than we do. We are now on the air only 55 to 65 minutes a day of original broadcasting time in Latvia, Lithuania and Estonia, and the calls from those republics for more broadcasting from us have increased.

So, there are many areas, Mr. Chairman, where I think we should be doing more and I think the opportunities to do more are present now in a way they have never been before.

ISRAEL RADIO RELAY STATION FUNDS

Mr. Dwyer. Getting to the dollars portion of the hearing, what is the status of the current year appropriation of $183,022,000? How much of that money has been obligated to date?

Mr. Forbes. Well, overall, if you add up the three years, $250,000,000 has been appropriated for the relay station. I believe about $40,000,000 has been expended. We are waiting for final approval to let the final contract where the bulk of that money would be spent.

ENVIRONMENTAL CONCERNS OF ISRAEL PROJECT

Mr. Dwyer. You had some environmental problems with that station. Have you worked those out? I have read about it in the paper. I do not know whether it was serious or not.

Mr. Forbes. Yes. My colleagues and I just visited Israel last week, where we met with the Prime Minister, the Foreign Minister, the Defense Minister, the Finance Minister, the Communications Minister and other members of the government. We also met with representatives of the Society for the Protection of Nature in Israel, which is the major environmental group in Israel.

The three concerns about the environment fall into three basic categories. The first is what damage would be done to the health of people, plants and animals near that transmitting facility. The second one concerns the migratory pattern of birds. There are millions of birds that fly from Europe over that region to Africa and back again during the course of a year. And the third is indirect but relates to the relay station, and that is the possibility of the Israeli Air Force moving their training facilities, because of the station, into a nature reserve in Israel.

We think the third one, the possibility of violating a nature reserve, is the principal concern and source of anxiety about this relay station.

Concerning the first, I will address the impact on people, plants and animals. In the 50 years of experience with BBC, VOA and RFE/RL, all the evidence shows that shortwave transmitting is probably one of the most environmentally clean and safe industries in the world. In almost a half century of experience, there has not been one documented case of ill-health or something bad happening to people working at or near a facility.

For example, we have a major facility in Portugal. There are numerous people who spent 30 or 40 years working there, with no ill effects whatsoever. There are schools near there, there is a hospital near there, and no documented effects by any of these transmitting stations with us or with other entities around the world.

The second one concerns, as I say, the migratory pattern of birds. First of all, a lot of people do not understand that these birds do not fly directly over the transmitting station. Moreover, they fly several hundred feet above the antennas and the transmitters and they are a couple of miles away from it and those patterns do not change.

We have done a number of studies on this problem. When we began negotiations with the Israelis in 1985, we spent many long hours discussing any possible adverse impact on migration. There is no documented evidence that, given the nature of the station, where it is located and the migration patterns of the birds, that there will be any ill effect on that.

Moreover, we have designed the station in such a way to remove any temptation of any animals or birds coming into that station, removing ponds and things like that, to remove the temptation to break that migratory pattern, to come to it. We have put in special sidings on a lot of the windows, so there will not be light that might attract them, and we have done the cables in such a way that, if a bird does land on it, it is not going to be harmed. So, we think we have done everything humanly possible to protect the wildlife, particularly the migratory patterns of birds.

Now, concerning what we think is the major concern is the possibility the IAF, the Israeli Air Force, using or moving into a major preserve. The Israeli Air Force, almost 10 years ago, made an effort to move into that nature reserve and use it as a training range. It was stopped and blocked for the same reason there are concerns today, primarily for environmental reasons.

We have had long discussions with the Israeli government and even with officials of the Air Force. We have been working very closely to insure that the station would meet very strict standards posed by the Israeli Air Force, and I can say today that our engineers believe, and we have told this to Defense Minister Rabin, that the Israeli Air Force can continue to use its current training range, without any adverse impact on their ability to train pilots and use those F-16's. We believe it can be used with complete safety and confidence, and because of changes we have made in the design of that station, we have now met all of the standards set by the Israeli Air Force, so we think there will be no necessity to relocate the training range.

Those are the three broad areas and we think we have met each one of them.

FY 91 REQUEST FOR ISRAEL PROJECT

Mr. **Dwyer**. You are asking for $23,978,000 for the station in this budget we have under consideration. What is the breakdown of the funds, and will they complete the project?

Mr. **Forbes**. That $23,000,000-plus would complete the project. Part of the money is for the last two transmitters. There are 16 transmitters, and this would be the last two, numbers 15 and 16, that will also be involved in what you might call cleaning up the project costs, quality control, administrative expenses, construction support services, and things like that, all the things you need to do to complete a project. So roughly half is for that and roughly half is for the physical construction of the two transmitters.

Mr. DWYER. I will now ask Chairman Smith if he has some questions.

ENVIRONMENTAL INTEREST IN ISRAEL PROJECT

Mr. SMITH. Well, I will ask a couple of questions, while we are on this subject.

Why is it that environmentalists are just now getting excited about this project?

Mr. FORBES. We think primarily because of the possibility that was raised that the Israeli Air Force might want to use that nature reserve as a training range. We think that the other two reasons listed, concern about the birds and concern about any impact on health, have long been answered. We have gone over that and there was public information of the number of studies on it, but we think those were resurrected and raised again when there was a possibility that the Air Force might want to use this transmitter station as a reason for moving into the reserve, which they tried to do 8 to 10 years ago. We think that was the main impetus for it.

Mr. SMITH. Well, surely that was considered in 1985, was it not?

Mr. FORBES. It was, and when we were over in Israel, there was not one piece of evidence or documentation brought up, one issue brought up that had not been discussed thoroughly with the government between early 1985 and June of 1987.

IMPACT OF DELAYING PROJECT

Mr. SMITH. Okay. Now, you have $23,000,000 in this budget and we had $180,000,000 in 1990. Give us kind of a timetable on how, up to this point, it was assumed these funds would be spent. While you are at it, what would happen if everything was stopped?

Mr. FORBES. What would happen if what?

Mr. SMITH. If everything was stopped.

Mr. FORBES. If it was cancelled or delayed?

Mr. SMITH. Yes, how much would we recoup out of 1990 funds?

Mr. FORBES. Right now, if it were stopped today, it would be the lion's share of it, because that $180,000,000 is for what they call a broadcast system contract. In other words, it is one fell swoop and when that contract is let, the $180,000,000 would be spent over roughly a 3-year period.

Mr. SMITH. Then that contract has not been let, you say?

Mr. FORBES. That has not been let, no.

Mr. SMITH. What is the timetable on it?

Mr. FORBES. We hope by September, because we are waiting for the final approval by the Israeli National Planning Board.

Mr. SMITH. So, you would not be signing that until September?

Mr. FORBES. Probably September, yes.

Mr. SMITH. Well, if it was to be determined by our government that it would have to be terminated, would we still have some things that have not been paid for that we are obligated to pay for, or not?

Mr. FORBES. Well, there was $70,000,000 in the two previous fiscal years, it would be monies out of that that we would have to pay to wind this down. But the lion's share, most of the $180,000,000 would not be lost, I do not think.

Mr. SMITH. Well, try for the record to give us as much information as you can on what we would be able to save or how we would reduce our expenditures if we were winding down.

PURPOSE OF ISRAEL PROJECT

You mentioned that the biggest problem was the transmitter a while ago, but you did not mention what I think is the biggest problem. The biggest problem is that we no longer have the mission.

Mr. FORBES. I would like to address that, if I could.

Mr. SMITH. Please do.

Mr. FORBES. The radio relay station is a joint project between us and the Voice of America. It is going to reach three continents, with several hundred million people. The principal areas that it is going to reach are East Africa and Central and West Africa, all the way down to Southern Africa. Among the countries that will be reached in Africa with these new signals would be Kenya, Ethiopia, Ivory Coast, Ghana, Malawi, Zambia, Mozambique, Zimbabwe, South Africa, Botswana, Nigeria and other countries, so this station is very important for the Continent of Africa.

Also, it will go to South Asia, which includes India, Pakistan and Afghanistan and reach several hundred million people there. Moreover, it has the indirect effect of enabling the VOA to do more broadcasting into China. Last summer, after the Tianaman Square massacre, the VOA was limited in its response, it could only increase broadcasting by an hour or two, primarily because of capacity limitations of its transmitter in the Philippines. If they had this Israeli transmitter site operational then, they could have relayed more of the Indian and Pakistani broadcasting from the Israeli site and had the capacity to do more broadcasting to China, in the aftermath of that massacre. So, that is the second broad area, South Asia.

The third one is Soviet Central Asia, which would be Radio Liberty, not the VOA, and the reason we see that as important is primarily because it is the home of 50 million Moslems. It is the fastest-growing part of the Soviet Union, and is an area where we are the only broadcaster reaching many of these people. The critical question is, there is more unrest there, there is growing nationalism there and they are probably going to get more autonomy, if not independence. The question is, what kind of governments will these people have in the next few years, and what kind of forces will reach ascendance in these areas in the next few years? Will it be what we saw in Iran and elsewhere, the forces of fanaticism and extremism, or will there be elements of democracy, liberal democracy, enlightenment and tolerance?

We believe this signal is important to get in from the West. We need a democratic voice going into that region, or else the field will be left to the extremists, without any countervailing measures.

We have seen in Eastern Europe, over a 40-year period, what kind of seeds can be planted through the radios, and people like Havel and Walesa and others have testified eloquently to the critical role that the radios played. We are hopeful that even in Soviet Central Asia, looking out 10 to 20 years, that western broadcasts, ours and we hope eventually others, can play a similar role in trying to nurture democratic forces and not leave the field free to the fanatics and the extremists.

ABSENCE OF JAMMING

Mr. Smith. Well, I understood one of the principal reasons for the project was that we wanted enough power to overcome jamming.

Mr. Forbes. That was one of the reasons and that is why, with the cessation of jamming, we cut back the number of antennas from 47 to 37, at a cost savings of over $20,000,000, because without jamming there was no need for that.

ALTERNATE SITE POSSIBILITIES

Mr. Smith. Well, are you saying—and this is contrary to what other people have told me, if it is true that there is not another way to get a significant signal to all these places?

Mr. Forbes. No, there is not. People cite India. India would not let us do it or, if you did get a transmitter in India, you would not be allowed to broadcast to India. We tried a number of other areas.

Mr. Smith. How about Sri Lanka?

Mr. Forbes. They said no. Most of those countries there, in terms of this kind of facility, said no. Jordan said no, Egypt said no.

SHORTWAVE SIGNAL PROPAGATION

Mr. Smith. What do you mean when you say "this kind of facility"?

Mr. Forbes. Because what we want to get is what they call—this gets into engineering. If you have a distance of 1,000 to 2,000 miles, with shortwave transmitting, you can get what they call a one-hop signal. That is the strongest signal. If you get a facility much closer than that, ironically, the way signal propagation works, you get a weaker signal which defeats the whole purpose of it.

So, when this thing was looked at in the early 1980's, a number of sites were considered and, in terms of a country willing to accept it, which could reach the areas that VOA wanted to reach and we wanted to reach, this was one of the best sites and Israel was willing to do it and the others were not. So, it is not easy to do, and wherever it is located, the costs will not change that materially.

ADMINISTRATION SUPPORT

Mr. Smith. I know there are differences of opinion within the administration what to do about this facility, including those who want to wind it down as soon as possible—what can you tell us about this, from your opinion or based on what you know about it?

Mr. Forbes. Well, the Administration, at least the people who make the final policy, is still behind this. OMB is behind it, the NSC is formally behind it and State is behind it. When we were over in Israel, the U.S. Ambassador was with us on all of those meetings.

Mr. Smith. Well, that is their official position. We know they are rethinking their position. What can you tell us about that?

Mr. **Forbes**. We have not been contacted, either officially or unofficially, about a reappraisal or a change on that project.

ROLE OF RADIOS IN US FOREIGN POLICY

Mr. **Wattenberg**. Mr. Chairman, you were talking before about the mission of the radios. I have always understood that the radios ought properly be seen as part of our total foreign policy, the part of our public diplomacy which is part of our total foreign policy, of which the Defense Department is also a part. It is quite clear to all of us that our defense needs are coming down and we are all happy and grateful for that, and on the Radios we think we played some kind of role in that in Eastern Europe.

But it seems to me that, as there is a drawdown in the relative importance of military power, the era of public diplomacy for the United States and the role of public diplomacy is becoming more and more important.

Mr. **Smith**. We have a mission of broadcasting, but the questions is whether or not we still have a mission of breaking through the jamming, when there is no longer jamming.

Mr. **Forbes**. That is why the 10 antennas were removed, because there is no longer jamming.

Mr. **Smith** [presiding]. Mr. Rogers?

SUCCESS IN EASTERN EUROPE

Mr. **Rogers**. Gentlemen, welcome to our subcommittee again.

Let me say a word of congratulations. I think you deserve some congratulations for some of what has happened in Eastern Europe. We have been plugging away through the radios all these years, when no one else was there to give that alternative voice and to hold out that beacon of freedom and hope that all those desperately neglected people look to, and but for the radios and the American commitment with these monies to keep those broadcasts going, I doubt things would have happened in Europe as they did. No one can ever know that.

There are leaders that you have cited—we heard one this morning speak to a Joint Session—and who have been quoted by you as saying that the radios were central to what happened in his country. I think we can celebrate those changes, and I think the Congress appreciates your role. I think they do.

We must not let our guard down, but we have seen what looked like absolutely hopeless situations, almost overnight turn into joyous celebrations, and I really think the message that Americans sent through these radios surely had something significant to do with that. They had no other pipeline to the world than through the funds we put up for these broadcasts, and I hope we are mindful of that and do not forget that there are other parts of the world that are going through the same throes of rethinking as those in the Eastern European countries.

IMPORTANCE OF ISRAEL PROJECT

Am I correct that the Israeli station would be essentially the sole source of broadcasts to many parts of Islamic Russia?

Mr. **Forbes**. That is right.

Mr. ROGERS. The Soviet Union?

Mr. FORBES. That is right.

Mr. ROGERS. So, if we did not do the Israeli station, am I correct that we would not essentially penetrate into Azerbaijan?

Mr. FORBES. In some of those areas, we get a very weak signal in now. What the Israel project would do would be to get a strong audible signal to that entire area and to tens of millions of people that we do not reach or, if we do reach it is very imperfect now.

Mr. ROGERS. And essentially that is the Moslem Soviet Union?

Mr. FORBES. That is exactly right, Soviet Central Asia.

Mr. ROGERS. And that includes Armenia?

Mr. FORBES. No. The VOA, the Voice of America will be doing broadcasting to Armenia. We have a service that reaches Armenia now from another transmitting facility.

Mr. ROGERS. But it does include the Ukraine?

Mr. FORBES. Not with this one.

Mr. ROGERS. Not with this one?

Mr. FORBES. No, Voice of America would be going into there. We would go into Soviet Central Asia.

Mr. ROGERS. Well, tell me some of the essential parts of the Soviet Union that you would not be able to reach effectively without the Israeli broadcasting station?

Mr. FORBES. For us, it is primarily Soviet Central Asia.

Mr. ROGERS. Describe those areas.

Mr. FORBES. It would be Uzbek, Tajik, Tatar-Bashkir, Turkmen, Dari Pashtu—that is in Afghanistan—Russian, Kazakh and Kirghiz. It is about nine languages.

Mr. ROGERS. And can I say that, essentially, those areas would be uncovered, but for the Israel station?

Mr. FORBES. Some of it would be uncovered. As I say, in some of those areas, we get a very weak signal to some of the people there now, but this would cover the whole region, so we would go from very inadequate, very imperfect to something standard that we would want in the West.

Mr. PELL. Could I add, Mr. Rogers, that this facility will also enable us to reach large parts of the Soviet Union in the Russian language, where we now have a weak or non-existent signal, to the east of the Urals, for example. We get a multi-hop signal all the way across Vladivostok, but it fades in audibility. This would vastly increase our capability in that area.

Mr. ROGERS. To broadcast where? Where are you talking about?

Mr. PELL. All of the Soviet Union east of the Urals, all the way to the Maritimes.

Mr. ROGERS. Are you talking about the Russians?

Mr. PELL. Yes, the Russians, right.

Mr. ROGERS. And the Russian Republic?

Mr. PELL. Yes, sir.

Mr. ROGERS. And you do not do so now?

Mr. PELL. We do, but again, it is a strong one-hop signal from our transmitting facility in Spain, until it gets to the Urals, and beyond that it starts to fade to a two or a three-hop signal and it fades away. We put almost no signal at all into the Soviet Maritimes, for example, and there is a huge population in the Vladivostok area, of course.

Mr. Rogers. Have you changed your total estimate of the funding needs for the Israel project?

Mr. Forbes. We have reduced it $20,000,000-plus, to reflect the need for not overcoming jamming.

Mr. Rogers. Jamming. So, the total cost is now what?

Mr. Forbes. Roughly a little over $270,000,000, plus the $16 million from the VOA.

Mr. Rogers. And how much of that have we actually outlayed?

Mr. Forbes. I believe it is in the range of $40,000,000. We will get an exact number for you on that.

Mr. Rogers. Now, how much of the contracts will be awarded this current fiscal year?

Mr. Forbes. The major one, which is the broadcast systems contract, which would be roughly $180,000,000.

Mr. Rogers. That will be obligated before October 1 of this year?

Mr. Forbes. The funds are obligated now. Just to put in the record, we have an agreement signed with the State of Israel to go ahead with this project, and when we were over there with the chief ministers of the government, the Prime Minister stated publicly that he vigorously reaffirmed their public support for this project. They see it as we see it, as an example of strategic cooperation between Israel and the United States. It is a two-way street and not just a one-way street. We are working together on the project.

RFE/RL AUDIENCE

Mr. Rogers. Now, let me switch gears with you a bit to a more general area. Last year, you were able to give us tentative reports on the surveys and jamming and it was not complete. Have you had some more recent surveys?

Mr. Forbes. Yes, and Gene can give you the details. They are very heartening of the Soviet Union, where there has been a very dramatic increase.

Mr. Pell. Are you talking about listenership or audibility?

Mr. Rogers. Listenership.

Mr. Pell. The listenership, according to our audience research, which is conducted on the basis of exit interviewing, either permanent immigrants or people coming out to visit or on business, indicate that in the course of the last year since jamming ceased, that our audience in the Soviet Union has increased on a magnitude of 30 to 40 percent.

Mr. Rogers. Increased?

Mr. Pell. Above what it previously was. We are clearly now the number one western broadcaster to the Soviet Union. We have passed Voice of America, in terms of total listenership in the USSR and that has been one of the results, we believe, of the end of jamming.

AUDIENCE SURVEY TECHNIQUE

Mr. Rogers. Can you relate that to something that we would know in this country, like the Nielsen survey? Is there anything that you can tell us about what percent of the Soviet people listen to you?

Mr. **Pell**. Well, if I owned a radio station in either Kentucky or New York, I would love to have the numbers, as we understand them at any rate. In Eastern Europe, we have traditionally, on the basis of our own interviewing, extrapolated an audience ranging from anywhere from 50 percent in a place like Bulgaria, to as high as 64 or 65 percent of the adult audience in Romania, and both evidence and testimony from people who have come out since the events in Romania suggest that figure is not very far off.

In Poland, we have always believed we had somewhere around 50 percent of the adult audience listening on a regular basis to Radio Free Europe. The most recent and, in fact, to date only internal survey of listenership conducted in Poland, the first public opinion sampling of the industry, confirms that that figure is not far off.

In the Soviet Union, we probably are somewhere around 26 percent of what we measure as the urban educated audience that listen on a regular basis to Radio Liberty.

DESCRIPTION OF AUDIENCE

Mr. **Rogers**. What is an urban educated audience?

Mr. **Pell**. Beg pardon?

Mr. **Rogers**. What is an urban educated audience?

Mr. **Pell**. Major city populations, Leningrad, Moscow, Gorke, et cetera, with people with an eighth-grade or higher education.

IN-COUNTRY SURVEYS

Mr. **Rogers**. Is there any indication that you might be able to go into one of these Eastern European countries now and do some sort of internal surveys?

Mr. **Pell**. Yes, sir. We have, in fact, commissioned some already.

Mr. **Rogers**. Where?

Mr. **Pell**. Hungary and Poland.

Mr. **Rogers**. Have they been done?

Mr. **Pell**. We have done one survey in Hungary and we have cooperated in a survey in Poland which the BBC was the official sponsor of and we cooperated with them on it. We are in the process of arranging for other internal surveys to be conducted.

Mr. **Rogers**. You are welcome in those countries?

Mr. **Pell**. In those, and I think we will be welcome in Czechoslovakia, but that is the extent of it at the moment.

REASSESSING PROGRAMS

Mr. **Rogers**. Well, I am sure you are going through a reassessment of your program in these countries that have changed in the last few months. Tell us a bit about how you are reassessing what you air in those countries?

Mr. **Pell**. Well, the most dramatic change of the last year, I believe, aside from the cessation of jamming, has been the increase of access, in that our people have now been able to go into Eastern Europe and the Soviet Union increasingly and people have been able to come out and see us in Munich.

We have, since we appeared before this subcommittee the last time, opened an office in Budapest, the first Radio Free Europe news and program bureau anywhere in Eastern Europe, and that was done on the 27th of September. We are in the process now of establishing a news bureau in Warsaw, and Mr. Havel and his government have asked us to have a permanent presence in Prague. That has had a profound impact on our programming and the way in which we are able to generate news and information and cover events in countries.

At the same time, our telephone costs have increased exponentially, because it is now possible for us to call into the other countries where we do not have a permanent presence and for people to call out. Increasingly, we are besieged by government officials, even members of the Supreme Soviet in Moscow who are calling us, wanting to be interviewed or have their point of view appear on Radio Liberty.

We have had a dramatic increase in calls from many of the countries to which we broadcast on what I call "how to" programming. For example, Siutas, in Lithuania, contacted us and asked us if we could produce a series of programs on Robert's Rules of Order, because they were finding it very difficult to conduct a meeting in an orderly fashion in Lithuania. We have had innumerable calls from——

Mr. ROGERS. Perhaps Congress could subscribe to that. [Laughter.]

Mr. PELL. Maybe we should have been up here doing some interviewing about that.

We have had a lot of requests for programs ranging on everything from how to write a constitution, to hold an election, to how to go about developing a bill of rights, to how does one go about the process of developing free market economies, and these requests for these programs are coming from the Vaclav Havels and Lech Walesas and other people in these democratizing governments. That has had a profound impact on how we have been doing business. There are many other kinds of examples, but those are some of the more dramatic ones.

FUTURE BROADCASTS TO NEW DEMOCRACIES

Mr. ROGERS. Do you see a time when we would no longer need to broadcast in those countries?

Mr. PELL. If the conditions Mr. Forbes set out in the course of his statement come to pass and are seen to have been in place for a period of time, my answer to that is yes.

Mr. ROGERS. But for the moment, really, some people say those countries are really more at risk now than they were before they had their revolution, and now it is a fluid situation where any pied piper could come along and take a volatile situation and turn it into something even more dastardly than was there before. Is that a mission that you see your agency involved with in those countries in the immediate future?

Mr. PELL. We certainly see that as a possibility in some places and believe we are a kind of insurance policy against that happening. Mr. Havel, as Mr. Forbes indicated, talks about the continuing need for our broadcasting. I was struck by a comment by Senator Celinski in Poland, who told us that he thought a very important role for us to play was that of, in his terms, a critical but sympathetic mirror to what was happening in his country and I think for many of the very reasons you just touched on.

CAUTION ON BUDGET SAVINGS

Mr. ROGERS. Well, I am sure that now everybody in the Congress, everybody has their eye on the so-called "peace dividend" from the defense budget, and I suspect there are a lot of people who have got their eyes on the dividend they see coming from your agency's situation now. In both cases, I think we would be very foolish to jump too quickly.

Mr. PELL. Just from my perspective, having returned here from Europe, may I make one comment on that? I was struck the other morning, watching network television, when an unspecified anchorperson began a report with these words: "Now, there is no more communism in Eastern Europe, we can turn our attention to" thus and so. The Washington Post put it a little differently in an article, when they wrote, "Who needs Radio Free Europe in a Europe that is free?"

Mr. Chairman, I submit, from the perspective that I enjoy in West Germany, that Eastern Europe is not yet free. A beginning has been made, a stunning beginning and an important beginning has been made, but we are in a long ball game and this is the bottom of the first, as far as I am concerned. And to think that we have invested 40 years of attempting to keep, through this electronic umbilical cord, a living culture, language, history and hope in these countries and to influence opinion there, and now that when opinion begins to matter in these countries, we would say that we no longer want to try to influence it. It makes no sense to me.

Mr. FORBES. These radios are the most effective instruments we have today for influencing events, not only in Eastern Europe but in the Soviet Union. As Gene said, when things are going our way, why throw away our most effective instrument now in our arsenal of democracy?

TYPES OF DEMOCRACY

Mr. WATTENBERG. I was in Budapest and Warsaw just a few weeks ago and I started talking with the people there, particularly in Hungary, and I said what kind of governance are you looking toward, and one of the answers you get sort of frequently is, well, the Swedish model is sort of something that we have our eye on. Now, that is not a plenary view, by any means, but it surely is there.

It seems to me that there is a major issue coming to the fore in Eastern Europe, and hopefully down the road in the Soviet Union, which is not only that there will be democracy, but what kind of democracy there will be, that, as we all know, it is a mansion with many rooms. If the Eastern European countries decide they want to go with the Swedish model, that is fine, but as a super power, we ought to be offering up a menu of the varieties of democracy that are available, to let these people who, for the first time in their lives, have had an opportunity to see what the full menu is, including American style democracy.

I do not think that the taxpayers of the United States, if the proposition had ever been framed, "Would you like to be involved in a 40-year cold war in order to establish Swedish-style democracy in Eastern Europe?" would have particularly said yes, that is exactly what I want to do.

Mr. **Rogers**. My time has expired.

Mr. **Forbes**. Just to underline, Mr. Chairman, what Ben said, as I indicated in my opening testimony, in the ongoing election in Hungary, which will help determine what kind of government they will have, the government is attempting to muzzle many of the forces of democracy, what is left of the Communist government is attempting to muzzle them and they look to us to get the message out.

Mr. **Rogers**. If I could follow up on that for just a moment, that is particularly true in Romania——

Mr. **Forbes**. Absolutely.

Mr. **Rogers** [continuing]. Where the so-called "in-group" now is attempting to muzzle all other outside groups.

Mr. **Forbes**. As a matter of fact, we got some backdoor messages that said we realize what RFE is trying to do—this is from the new in-group—but can you lay off, because we are the good guys and lay off on the things we are doing, we are doing it for the good of the people. We have heard that song before.

Mr. **Dwyer** [presiding]. Mr. Mollohan?

Mr. **Mollohan**. I have no questions.

Mr. **Dwyer**. Mr. Regula?

ESTABLISHING COMMUNICATIONS SYSTEMS

Mr. **Regula**. I would be interested if you find some people in these countries coming to you for advice on how to set up a system of communications internally, because it would seem they have institutional experience.

Mr. **Forbes**. That is right and one of the things that they mention to us that they say we should think about is some day setting up fellowships, where we take journalists or budding journalists in that part of the world and give them 6 months or 12 months of exposure training to western journalism.

Mr. **Regula**. And techniques, I assume?

Mr. **Forbes**. Exactly.

Mr. **Pell**. We have had a number of requests of that kind and this may be an opportunity to say a word about something else we do that I think is sometimes forgotten. In addition to what is being broadcast to these areas, we are the leading center of research and scholarship on Eastern Europe and the Soviet Union at our Munich headquarters. We have the largest archives on the subject in the world, we have the largest library on this subject in the western world, we get 25 to 30 government officials, journalists, scholars, diplomats and businessmen per month who come there to consult our analysts and utilize our facilities, and increasingly we are getting requests from the East. In fact, only last week we had a request from Mr. Havel's own office, "Could we get your weekly research materials, because we don't have any other means of learning what is happening in the rest of Eastern Europe, except through sources that you can provide to us?" It is a very important function of what we do.

Mr. REGULA. I assume all they have would be the state information in those countries at this time.

Mr. PELL. That is correct.

Mr. REGULA. And they have no experience with advertising or party line, and if you are going to have a capitalistic system, they are going to have to develop some of these ideas, I would assume.

Are you on 24 hours a day?

Mr. PELL. We broadcast 24 hours a day in Russian. At any point of the day, some service is on. The major European services to Poland, Hungary, Czechoslovakia, each run about 18 to 20 hours a day. Now, that is not all original programming material. About 8 to 10 hours of it would be first-run, and then with fresh news on the hour, every hour, many programs are repeated and the same thing is true in the case of the Russian service. So, we go from a high of 24 hours a day broadcasting in the Russian language, down to 45 minutes per day in Estonian, Latvian and Lithuanian.

COMPETING FOR TRANSMITTER TIME

Mr. REGULA. So, you have to spread your transmitting over different languages with the programming, to prioritize during the day, is what it amounts to, I guess.

Mr. PELL. This is another factor involved in the Israel project. We are grid-locked at the moment and if we want to increase services to one area, we must decrease services elsewhere.

Mr. REGULA. So, if this project were completed, you could have simultaneous broadcasts.

Mr. PELL. We would have more flexibility.

Mr. REGULA. Broadcasts in different languages, is that correct?

Mr. PELL. Correct. Just prior to Ceausescu's fall, we went 24 hours a day in Romanian broadcasts, but to do that we had to take transmitters and frequencies away from Poland and broadcast——

BROADCASTING IN CRISES

Mr. REGULA. It must have been extremely important during this period of the dominos, because I think one led to another and the news from Hungary, for example——

Mr. FORBES. One of the great services these radios perform is what is called cross-reporting, that is, taking news or events in one area and broadcasting it to another. One of the surprising things about the Soviet Union is that, in a particular area, the local press may be full of things that would have been unthinkable a year or two ago, but that does not mean that the rest of the country is going to hear it, and one of the things that helped set up the situation, we think, in Poland, was that a little over a year, the government, as a desperate measure, agreed to a debate between Lech Walesa and the government union leader, and what we did was we not only broadcast that fully to Poland, but we had that debate translated into Russian and other languages, using announcers to play the role of the two debaters, and broadcast it throughout the Soviet Union. They had never heard anything like this before.

AREAS OF COVERAGE

Mr. **Regula**. One last question. How do we cover China, Albania, North Korea and the areas where there is still a need perhaps to get the truth out?

Mr. **Pell**. Well, the Voice of America broadcasts several hours a day into China and they have a smaller Cantonese service, and the VOA has a daily broadcast to Albania. I believe it is 30 minutes or maybe 30 minutes in the morning and 30 minutes in the evening. We do not broadcast to Albania.

Mr. **Regula**. How about North Korea, do we cover them in any way?

Mr. **Pell**. The VOA has a Korean service which would cover the whole peninsula.

Mr. **Rogers**. Would the gentleman yield?

Mr. **Regula**. Yes.

INFORMATION FLOW IN EASTERN EUROPE

Mr. **Rogers**. Another point on the previous point on the importance of Hungary hearing what Poland was saying and vice versa. That is not over, is it, because Mr. Havel this morning told us in his speech that now one of the most difficult things will be for the Eastern European countries in what he called "the wayward children of Europe" to be re-integrated into the European economy and the way of life and so forth, and he said we are going to have to coordinate that reentry amongst the wayward children. It seems to me that the radios are one of the few ways that they can know what is going on, each in the others.

Mr. **Forbes**. One of the emphasis on the programming that is now taking place is what you might call a more transnational approach, that Poland is not the center of the universe, Hungary is not the center of the universe, Czechoslovakia is not. There is a lot that can be learned, one with the other that we do through cross-reporting, but also there is going to have to be a kind of degree of coordination that they really were not accustomed to, certainly in the inter-war period in the twenties and thirties, when they all went flying in different directions, to the regret of everyone. There is going to be a need in programming already being developed to do more of a transnational approach to help bring them in.

WESTERN MEDIA IN EASTERN EUROPE

Mr. **Wattenberg**. And this is not programming for the moment, at least that could be picked up from private broadcasters. At least, when I was over in Budapest, I was just stunned at the paucity of international news sources. Not only can these new governments not afford, or the new stations in Hungary or Poland not afford, to send reporters into the other Eastern European countries, but the western press, when I was in Budapest, as I understood it, there was The Washington Post, for example, did not have a regular home-based correspondent in Budapest, somebody that is going to drop by periodically, and that is after all of these events. The UPI bureau in Budapest I think was one person.

So, I guess probably less in Sophia and in Bucharest and places like that, so the only thing that private broadcasters are offering is, well, the parliament met today and this is what they did. It is just the very top of the iceberg, the tip of the iceberg. So, the sorts of reporting that we do—economics, sociological, environmental, et cetera, et cetera, et cetera, are what is happening in that whole area, is simply not available, and this is this moment, as my colleagues were discussing, where these nations have to know what is going on with their colleague nations, because they are facing similar sorts of problems and there really is no alternative sources of information that I could see.

AUDIENCE DEMOGRAPHICS

Mr. **Regula**. I would be interested in your evaluation of your market. Do you have any idea what kind of listenership you have in the universities and the areas where a lot of this was fomenting, because it seemed like there were a lot of young people involved in the masses that made it happen in these countries? Do you have any idea what your penetration is in that market?

Mr. **Pell**. Well, quite frankly, reaching younger audiences has never been one of our primary objectives. We know we have some listeners there. Your question triggered one comment at the time of the events in Czechoslovakia. The London Times wrote this on the 30th of November. It was about a group of 19 students who were sitting listening to Radio Free Europe broadcasts and they concluded at the end that the Radio Free Europe broadcasts from Prague describing the police attack on students—this was their phrase—"was our signal like a flame." We had contacts with student movements in Prague and we made ourselves the data base for the passing of information and plans for workers all over Slovakia.

In that case, at any rate, there were a group of students who were listening to our broadcasts who were profoundly influenced by them, but I cannot give you a breakdown of what the demographics are.

Mr. **Forbes**. It seems that the audience is more highly educated than the general population, that we do know and one of the reasons, particularly during the time of change, that they listened to the radio is to find out who is doing what in a particular part of the country. Even 10 years ago or 11 years ago, when Solidarity first arose in the Gdansk shipyards, they would listen to our Polish service to find out who was organizing and doing what in another part of the country. There was no other way to find out, and particularly during the martial law period, we were the only lifeline and we got a backhanded compliment from the then spokesman for the Polish Communist government who said if RFE ceased broadcasting, Solidarity would cease to exist, and he meant that as a criticism and we took it as a compliment that we were doing our work.

Mr. **Regula**. Havel said the intellectual center stopped talking and started acting, so you are reaching them.

Mr. **Dwyer**. Mr. Kolbe?

Mr. **Kolbe**. Mr. Chairman, I think all of us here would agree that this is a very exciting moment. That has become almost a cliche. When I think of the things that were said just a year ago and what has happened in the last year, it is really extraordinary, beyond anybody's comprehension, the kinds of things that have taken place, I would certainly agree with my colleague from Kentucky in congratulating you on the part that you have played in this. Certainly, Mr. Forbes, your performance here today demonstrates your commitment and the very strong role you played in helping to make Radio Free Europe and Radio Liberty a real force in the world. I congratulate you for that.

I am reminded that there are some who, just as recently as two years ago, were saying the United States had no right to impose its form of government on anybody else. I think events have demonstrated the United States not only had a right, but has an obligation to stand for democracy and freedom throughout the world. Freedom is not a divisible commodity. Totalitarianism is not a form of government that any people would choose voluntarily and I think events in Eastern Europe have demonstrated that very clearly.

I think it was Warren Brooks who described some of these people as "gate crashers at the garden party of democracy," and while you have not been a gate crasher, you have been at the garden party of democracy when nobody else was there, holding down the party alone. I think you are to be commended for the role you have played in all of that, and I want to say thank you.

Mr. FORBES. Thank you.

ACCURACY OF AUDIENCE SURVEYS

Mr. KOLBE. I would like to ask just a couple of quick questions. Going back to the way you measure listenership, it is obviously not quite as precise as the Nielsen ratings would be concerned. When you talk about doing exit interviews for that, do you have any concern that we are distorting the true picture? Because you are talking about either (a) permanent refugees who might have a reason to listen more than others to a contrary voice, or (b) those with temporary visas who might be more inclined to get a world view or have more access perhaps to forms of communication on radios that might allow them to listen to this. How reliable do you really think these are?

Mr. FORBES. We have done several thousand interviews and we worked with MIT over the years to try and factor out some of the biases. Obviously, you are not going to get the precision of Nielsen, but at least in terms of general kind of listenership, we think we can get some gauge of it. Whether it is 42 or 49 or 36, we can get the magnitude of it and, as you say, we can also get a sense of whether it is going up or going down or whether we are responding or not responding. But Gene and his people have worked for a long time to try to refine it, and he is probably more sensitive and aware than anyone else that it is not Nielsen, it is the best thing we could do under the circumstances.

Mr. PELL. The methodology was developed originally at MIT under the late Ithiel de Sola Poole when he was there, and it was looked at by a number of opinion sampling organizations over the years and it is by no means perfect or the best way to do it. It has been until recently the only way to gain any kind of approximation.

We have interviewed about 15,000 people a year, which is a large sample. It is about 7,500 from Eastern Europe and 7,500 from the Soviet Union. The results are weighted and we do try to eliminate some of the biases in that respect.

Let me just say that the opposite of your question is also true, that we are now able for the first time in some countries to conduct in-country surveys, but the biases there have to be carefully watched. We know perfectly well that in places where, until very recently, it was against the law and subject to fines or imprisonment to listen to these radios, that there may be reluctance on the part of many people to give somebody who knocks on their door and wants to conduct a survey an honest answer as to what their listening habits are, so there is a reverse aspect of that, too.

Mr. KOLBE. I appreciate that answer.

BROADCAST SCHEDULE

Recently, the Voice of America now says they are going to cut back some of their language broadcasts. I understand from Mr. Gelb that did not actually take place, although it appeared to get very close to that. Is our budget in such a position you are forced to take a look at some of your language broadcasts or are you maintaining full or even increased load of broadcasts?

Mr. PELL. We have increased our original broadcasting by several fold in the last two years, with no real increase in budget to do so.

Mr. KOLBE. And part of that is the greater ease of getting in because of the actions in——

Mr. PELL. Correct. Part of that has been the visible motivation toward greater productivity by people who are watching these events unfold in the countries they were forced to flee.

FY 91 FUNDING FOR ISRAEL PROJECT

Mr. KOLBE. The final question: If we go ahead with the Israel project, the $23,000,000 that is contemplated in fiscal year 1991, after you go ahead and award the contract on the main part, what will you use $23,000,000 for?

Mr. FORBES. $11,000,000, roughly, will go for two transmitters. The project is designed for 16 transmitters, the appropriation we received this year will cover 14, so part of the next year's appropriation will be the other two. It will also be what are called construction support services to help, in fact, wind up the project, testing, installation of subsystems, administrative expenses and all the nitty-gritty that pulls the thing together.

Mr. WATTENBERG. I would just like to point out one thing. I think Gene Pell and his staff in Munich have done a remarkable job in adding new programs since the events of 1989. My own view, having just been over there, is that there is a shortage of funds for programming and we have an opportunity now, for example, to have stringers all over the Soviet Union and, because as I understand the budget situation, there is simply not enough money for the phone lines and for the costs, and to me it seems, after all these years and after what is going on in the Soviet Union, that while President Pell and the staff there is doing a remarkable job, they are curtailed from doing what is plausible now. Broadcasting into the Soviet Union in this day and age ought to be an extremely high priority for American foreign policy.

Mr. KOLBE. I concur.

Thank you very much.

Mr. DWYER. Mr. Smith?

IMPACT OF SEQUESTER

Mr. SMITH. How are you handling the reductions due to the sequestration?

Mr. FORBES. Under the rules, I have been told we took the reduction in the 1990 appropriations level. It was not a drastic curtailment as the reduction was attributed to foreign currency.

INDIRECT BENEFIT OF ISRAEL PROJECT

Mr. SMITH. Now, you mentioned China. You don't have responsibility for China, do you?

Mr. FORBES. No, no. I mentioned China in respect to the Israel transmitter project. The Voice of America, which does have responsibility for China, broadcasts from the Philippines, as we understand it, to South Asia via Pakistan and China. With this Israel transmitter site, which will go to India and to Pakistan, an overused facility that they are using now can be devoted more to China, so it is an indirect benefit by having this transmitter, it frees up capacity to go to China.

RFE/RL BROADCAST LANGUAGES

Mr. SMITH. Okay. How many languages do you broadcast in?

Mr. FORBES. Right now, 23 language services.

Mr. SMITH. You broadcast in some of those countries in more than one language?

Mr. FORBES. Yes. For example, in Czechoslovakia, we do Czech and Slovak, and in the Soviet Union itself, in addition to Russian, there are at least 11 other languages for the nationalities that we use.

BBC COVERAGE

Mr. SMITH. In the areas you broadcast to, what part is also covered by the BBC?

Mr. PELL. About 50 percent of the same language services. They do not broadcast in many of the Central Asia languages that we do, but you also have to understand that the BBC broadcasts, for example, maybe 2 hours a day to Romania. We broadcast 24 hours a day to Romania. The Voice of America broadcasts 2.5 hours a day to Hungary. We broadcast 20 hours a day to Hungary. So, there is a huge quantitative difference, as well as a qualitative difference, I believe.

Mr. SMITH. In the Committee's record, there is a list that compares the two and matches them, to the extent they can be, so I know what is covered by BBC that is also covered by you, and what is not. They broadcast in 27 languages. Of course, that covers some of the same countries that you are going to.

Mr. **Pell**. The BBC?

Mr. **Smith**. Yes.

Mr. **Pell**. I believe it is more than that, but you are quite correct, that many of those are to Africa and Asia and other places.

Mr. **Smith**. You mentioned the survey in Poland. This is primarily a BBC survey. What did it indicate in comparing you with the BBC in Poland?

Mr. **Pell**. We were far ahead of them in Poland, far ahead of them. We were the leading broadcaster in Poland. The Voice of America was second and BBC was third, and I think that pattern is true throughout Eastern Europe.

Mr. **Smith**. Well, maybe. The Voice of America does not reach all languages in some of these countries, either.

Mr. **Pell**. I was talking about broadcasting to Eastern Europe, Poland, Hungary, Bulgaria, Czechoslovakia and Romania, the pattern is we are number one, the VOA is number two and the BBC is number three.

COOPERATION WITH BBC

Mr. **Smith**. To what extent do you exchange or coordinate resources with the BBC?

Mr. **Pell**. The only exchange is they subscribe to our research product and materials. There has been some, and it is limited, cooperation in terms of conducting audience surveys. We piggybacked on their Poland survey, they have supported some surveys we have conducted. There is no exchange of personnel and that is really the extent of it, no exchange or transfer of facilities.

Mr. **Smith**. Do you have somebody to review their broadcasts to see if there is anything else they are broadcasting that might be of interest to you?

Mr. **Pell**. We monitor their programs, yes.

PRESENCE IN PRAGUE

Mr. **Smith**. Now, you mentioned your presence in Prague. What kind of presence do you have?

Mr. **Pell**. Well, at the moment, none. We are in the process of developing one permanently based correspondent, a part-time engineer, for example, and office space and we will shuttle people back and forth from Munich, as the occasion requires. Prague turns out to be a fairly easy one for us, because you can get there quickly from Munich.

Mr. **Smith**. We were in Armenia and Georgia recently—what kind of presence do you have there?

Mr. **Pell**. The only presence we have there would be perhaps a local stringer who might do some on-the-scene reporting for us. The other presence we have for broadcasting purpose is now with phone accessibility, people do call us to tell us about things that are happening or provide eye-witness accounts of events.

LOCAL STRINGERS

Mr. **Smith**. Who would the local stringer be? Would that be a native?

Mr. **Pell**. Yes.

Mr. **Smith**. Have you been permitted to have stringers like that until recently?

Mr. **Pell**. Within the last year.

Mr. **Smith**. I see.

Mr. **Pell**. We have a number of them now in cities ranging from Moscow to Leningrad and others and they have been reporting for us quite openly, using their own names, et cetera, without difficulty.

Mr. **Forbes**. Also, ironically, around a year ago when the Soviets had their first elections, we were able to get results faster than state radio, because of the people we had in headquarters in terms of reporting events.

Mr. **Pell**. Also, may I just add, to talk about the change in one year, one year ago the man who delivered a speech to a Joint Session here today was on trial and about to be sent to prison, and one of the principal charges against him which the prosecution levied was his collaboration and his broadcasting on Radio Free Europe.

Mr. **Smith**. There have been a lot of changes. We were in Hungary a year ago December and it was clear at that time that everyone was going to go as far as they could, but they did not know how far they would be permitted to go, and others were watching to see how far they would be permitted to go. There has been a big change since that time, even since when we were in the Ukraine in August.

Mr. **Forbes**. Well, in last June in Hungary, it was considered very significant and almost provocative when they reinterred Imre Nagy who led the Hungarian Revolution in 1956 and was hanged and put in an unmarked grave, and was given a state burial last June, and that was considered, then revolutionary, yet, three months after to get a Solidarity government in Poland.

Mr. **Smith**. It is always hard to keep up with what is going on, although, contrary to what a lot of people say, it was somewhat predictable. The only thing that was not predictable was how far Soviets were going to go. Others have been predicted for two or three years.

Thank you very much.

ACCURACY OF STRINGERS

Mr. **Dwyer** [presiding]. Just one question. You mentioned stringers. What about the accuracy of the news that they provide, is there any attempt at disinformation and that kind of thing?

Mr. **Pell**. Well, we are very cognizant of the possibility of that. The people we have hired have been known to us or known to our people. We are very aware of the possibilities of that.

Mr. **Dwyer**. Well, your experience is very good, right?

Mr. **Pell**. It has been, indeed, with no surprises thus far, but I certainly appreciate the point.

Mr. **Dwyer**. You mentioned that the BBC subscribed to your research service?

Mr. **Pell**. Yes.

Mr. **Dwyer**. Do they pay a fee for that?

Mr. **Pell**. Yes.

Mr. **Dwyer**. Oh, they do pay a fee?

Mr. **Pell**. Yes.

Mr. **Dwyer**. What does that amount to?

Mr. **Pell**. Oh, it is very limited. I think we charge now about $250 a year for our weekly reports on Eastern Europe and the Soviet Union.

Mr. **Dwyer**. That is almost something of a bargain. [Laughter.]

Mr. **Pell**. You would be surprised how much they complain about that.

Mr. **Smith**. Well, it is good to have you here and you have been excellent witnesses. We will have some questions we will submit to you and you can supply the answers for the record. Good luck and God speed. Thank you very much.

Mr. **Forbes**. Thank you.

Mr. **Pell**. Thank you, Mr. Chairman.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Smith

Need for Reassessment of the Radios' Role

QUESTION:

Your Deputy Executive Director was recently quoted in the Washington Post when discussing the future of the radios that "everyone knows it (budget) has to come down some". Your operating budget request for FY 1991 shows an increase of $11,000,000. Why is there no decrease in the request?

ANSWER:

The BIB Deputy Executive Director was quoted out of context; he was speaking about the long-term future of RFE/RL, not the next few budget years. The 1991 increase in the operating budget request for RFE/RL is due to 4% inflation ($6,836,000) and foreign currency exchange rate adjustment ($11,458,000).

QUESTION:

Given the changes in Eastern Europe and the Soviet Union, will there be any reduction in the staffing levels of the radios in FY 1990 and FY 1991?

ANSWER:

RFE/RL does not anticipate any overall staff reductions in either fiscal year. The process of democratization in Eastern Europe and the USSR is insufficiently advanced at this moment to allow contemplation of reductions in programming or staff. In fact, RFE/RL believes that additional resources would need to be appropriated in FY 1990 and FY 1991 to take full advantage of opportunities not previously possible in all countries to which its broadcasts are directed.

QUESTION:

With the end of jamming, is it still necessary to broadcast as many hours daily in some of the languages?

ANSWER:

The end of jamming had the immediate effect of increasing RFE/RL listenership in almost all areas, confirming the long-held contention that a large potential audience did not listen to RFE/RL because of the disturbing jamming signal. The absence of jamming therefore has presented an opportunity to reach many new listeners; a reduction in the number of broadcast hours at this time would be a mistake. In fact, the number of repeat broadcasts is being replaced, to the extent staffing permits, with additional first-run programming.

Audience surveys indicate that in every area strongest listenership is in the evenings, when most of RFE/RL programming is first run. Listenership in the early morning is fairly strong, and the number of listeners from mid-morning to mid-afternoon is comparatively weak. This is when most of the repeat programs are broadcast.

A survey conducted last year by RFE/RL's East European Audience Opinion Research Department indicated that most listeners are satisfied with the present balance between repeat and original programs. There were minorities who wanted more repeats, also some who wanted fewer. It is significant that the number of those who wanted more repeats was on the ascendancy.

The Russian Broadcast Department, which is on the air 24 hours a day, has more repeat broadcasts than any other service. This is necessary because the Russian audiences are located in 11 time zones across the Soviet Union; "prime time" thus varies considerably from the eastern to the western extremes of the country. Given the size of RFE/RL's Russian staff, it would be impossible to broadcast 24 hours of original programming. They can, however, continue to deliver quality programming--including live and updated newscasts every hour--as long as they are able to repeat the best material from previous broadcasts.

In summary: The current schedule should be continued, increasing where possible the number of original program hours.

Request to OMB

QUESTION:

What was your FY 1991 budget request to OMB? What items were eliminated in your FY 1991 budget to Congress?

ANSWER:

RFE/RL's FY 1991 budget request to OMB for operations, adjusted to DM 1.93, was $184,651,000 representing a 6.5 percent increase over FY 1990 for overall inflation and cost-of-living increases and including program enhancements of $895,000. The OMB allowed the U.S. deflator increase of four percent over the FY 1990 appropriation of $172,555,000 only; no enhancements were allowed. The FY 1991 budget submission to Congress eliminated $4,630,000 for inflation and $970,000 in program enhancements at the FY 1991 budget rate of DM 1.78.

Israel Relay Station Appropriation

QUESTION:

How much of this amount was sequestered and what has been the impact of the sequestration? Have you been allowed to recover this in the FY 1991 request?

ANSWER:

The FY 1990 appropriated amount was $183,500,000 of which $478,000 was sequestered. The purchase of two transmitters, associated switchbay cross points, and transmission lines has been deferred to FY 1991 due to the reduction in the FY 1990 appropriated amount ($10,500,000) and the $478,000 sequester. OMB has allowed BIB to recover the sequestered amount in the FY 1991 request.

QUESTION:

Could this project be delayed to permit a study of the future of U.S. international broadcasting? What would be the impact of such a delay?

ANSWER:

Delaying the Israel project would only result in cost overruns and might even jeopardize the political future of the project in Israel. Regardless of the future structure of U.S. international broadcasting, this station will be vital for reaching crucial audiences in Africa, South Asia, Europe, and the Soviet Union.

QUESTION:

Are any of the funds appropriated being used to fund the staff positions at the Board for International Broadcasting or the radios?

ANSWER:

Four full time BIB positions and one part time clerical position are funded by the Israel project account. These include a General Counsel, a BIB Liaison

Officer in Israel, a budget analyst, one clerical position in Israel to support the BIB Liaison, and a part time clerical position in Washington, DC. No staff positions at the Radios are funded by the Israel project account.

QUESTION:

Is the design and construction of the relay station in Israel subject to the Federal Acquisition Regulations? If not, what controls has the Board instituted?

ANSWER:

Although technically the FAR does not apply to grantees of the U.S. Government, as a matter of practice the principles are followed in contracting for the design and construction of the relay station in Israel. These activities are governed by the terms of BIB's grant agreement with International Broadcast Systems, Inc. (IBS) including the OMB Circular No. A-110. Both the Circular and the grant are written to ensure maximum full and open competition.

QUESTION:

What will be the technical staffing needs for the relay station and its estimated annual operating costs once it is completed?

ANSWER:

The projected annual operating cost for the initial five years is $12 million. This amount covers operations and maintenance services and includes an estimate for electrical power and satellite transmission. Thereafter, costs are subject to yearly review with final approval authority vested in the United States Information Agency and the Board for International Broadcasting.

QUESTION:

If the project were terminated now, how much money would have been spent and how much saved?

ANSWER:

To date, approximately $264 million (including the $16 million from VOA) has been obligated for the Israel project. Approximately $40 million of this amount has been expended on the project. Due to the obligations incurred and costs associated with these obligations it is estimated that approximately $27 million in additional funds would be expended if the project were terminated by the third quarter of FY 1990. Based on this estimate, of the $266 million appropriated for this project, $67 million would have been spent, with $199 million remaining if the project were terminated.

GRANTS AND EXPENSES APPROPRIATION

QUESTION:

Of the $18,294,000 increase requested in the Radios' operation expenses, $11,458,000 is due solely to lower foreign currency exchange rates. What are your anticipated losses in operating funds due to exchange rate fluctuations during FY 1990 and what impact will these losses have on the operations of the Radios?

ANSWER:

Anticipated FY 1990 losses on the purchase of foreign currencies are $17,392,000. These losses will have no impact on RFE/RL operations as the losses will be covered by the $19,756,000 available in the Foreign Currency Contingency Fund.

QUESTIONS:

Given the unpredictability of exchange rates, what functions of the radios could be performed in the United States?

ANSWER:

Theoretically, all programming functions could be performed in the United States. This would, however, require moving some 1,100 people,(many of whom do not meet U.S. residence requirements), providing office space and some 30 broadcast studios, relocating the West's largest archive and library on Eastern Europe and the USSR, and installing trans-Atlantic communications capabilities. Engineering functions, which account for about 500 people, cannot be relocated. As a practical matter, all those functions that can reasonably be performed in the United States already are.

QUESTION:

On page 22 of the budget justifications, you state that an increase of $1.2 million is requested to restore funds to the German Pension Plan that were used in 1990 to relocate employees. Do the radios routinely borrow from the pension plans in order to fund other projects?

ANSWER:

RFE/RL does not borrow from the pension plans in order to fund other projects.

In FY 1989 when RFE/RL was advised that its Arabella annex lease would not be renewed, management immediately took steps to provide for the costs of the move to new office space without requesting additional funding. Due to holding back on the replacement of retirees and not filling vacant positions in FY 1988, RFE/RL went into FY 1989 with less than a full complement of employees. This resulted in an underspending on the salary line. These funds were used to pre-pay the German Pension Plan in FY 1989. This pre-payment allowed RFE/RL to cover the costs of the move to new office space by reducing pension contributions during the year of the move. The move to new offices therefore has no direct impact on pension contributions; the FY 1990 reduction is offset by the FY 1989 additional contribution.

The FY 1990 column of the FY 1991 budget reflects the reduction in the pension line with corresponding increases in other line items to cover the cost of the move. The FY 1991 budget restores the $1,200,000 to the pension line and reduces other line items for one-time costs in connection with the move.

QUESTION:

Was the relocation of the employees from the Arabella Office unknown at the time of the FY 1990 budget planning?

ANSWER:

RFE/RL first learned in December, 1988, that its lease for the Arabella offices might not be renewed, and informed the BIB in April, 1989, of the possibility. The FY 1990 budget was prepared and submitted to the OMB in August 1988, long before the termination of the lease at the Arabella Office was known.

QUESTION:

Why wasn't the Committee informed about this reprogramming under our reprogramming procedures?

ANSWER:

A reallocation of resources by RFE/RL among its administrative and personnel functions would normally not be reported to the Committee as a reprogramming.

Should there be a need to reallocate resources from the RFE/RL operational grant to the modernization grant or to BIB administrative expenses, the Committee would be informed of a reprogramming under the reprogramming procedures.

QUESTION:

Are all of the employee pension plans of the radios fully funded and, if not, how much additional funding is needed to fund these plans?

ANSWER:

The RFE/RL, Inc. U. S. Pension Plan is a defined benefit plan and qualified under Section 401(b) of the Internal Revenue Code. As of September 30, 1989, the Plan continued to operate on a sound actuarial basis meeting all of the funding requirements as set forth in existing Employee Retirement Income Security Act (ERISA) regulations. In order for the Plan to be fully funded as of September 30, 1989, a lump sum deposit of approximately $40.5 million would be required.

The German (Deutsche Mark-DM) Pension Plan is also a defined benefit plan which provides old-age retirement, long-term disability and survivor benefits. The DM Plan satisfies the German equivalent of ERISA and is governmentally insured by the Pension Benefit Guaranty Corporation to which RFE/RL makes annual premium payments. The unfunded amount as of September 30, 1989 is $34.9 million.

QUESTION:

The budget justifications for the Grants and Expenses appropriation show 12 full-time permanent positions for the Board at $672,000 and two "other than full-time permanent positions" at $157,000 for FY 1991. Are any of these employees detailed to the International Broadcast System to supervise the construction of the relay station in Israel?

ANSWER:

There are no BIB employees detailed to International Broadcast System, Inc. However, the BIB Liaison officer in Israel, funded from the Israel Project account, provides in-country oversight of the project.

QUESTION:

Are any of the 1,791 employees of the radios detailed to the International Broadcast System and, if so, are they on a reimbursable basis?

ANSWER:

No RFE/RL employees are detailed to International Broadcast Systems, Inc. Four employees of IBS were previously employed by RFE/RL and have re-employment rights with RFE/RL.

OFFICE OF INSPECTOR GENERAL

QUESTION:

What is the status of the Office of the Inspector General for the BIB?

ANSWER:

BIB's Inspector General has recently established the Office of Inspector General at the American Consulate in Munich, West Germany. Office furniture and ADP equipment have been purchased and are currently being installed. The consulate will provide the Office administrative support on a reimbursable basis. An Office of Inspector General mission statement has been prepared and operating policies and procedures that describe the working relationship with RFE/RL have been drafted and discussed with the grantee. In addition, a contract has been awarded to a small business to conduct a survey of RFE/RL's audit universe. This survey will be performed in March and April and will identify potential audit issues to be addressed over the next 3 to 5 years. The survey will result in a strategic and annual plan which provides a systematic approach to addressing identified issues. The Inspector General has also responded to a Congressional inquiry regarding an allegation concerning the content of Czechoslovak broadcasts.

QUESTION:

How effective can a two or three man Office of Inspector General be? Would it be practical to seek an amendment to Public Law 100-504 to permit this function to be carried out by the State Department's Office of Inspector General (State Department Office of Inspector General performs this function for the Arms Control and Disarmament Agency on a reimbursable basis)?

ANSWER:

We believe the strategy developed by the Inspector General will enable a small office (1-3 staff) to effectively carry out the duties and responsibilities of the Inspector General Act. This strategy involves supplementing staff resources with small business contractors on an as needed basis. This will enable the OIG to obtain the needed expertise (personnel, ADP, legal, etc.) without having to maintain a large costly overseas staff. This strategy is consistent with that employed by the majority of the new Offices of Inspector General created by the Inspector General Act Amendments of 1988.

Having another agency perform the Inspector General function for BIB probably would not result in any appreciable cost savings. In fact, prior to the drafting of the Inspector General Act Amendments of 1988, the President's Council on Integrity and Efficiency (PCIE) considered and rejected the arrangement of having large agencies and departments perform audit and investigations for smaller federal agencies because it believed such an arrangement would not save money (e.g the need to reimburse costs) and would limit the function's effectiveness. The Senate Committee on Governmental Affairs accepted the PCIE recommendation, and the Inspector General Act Amendments established separate Offices of Inspector General in 33 small federal entities. An exception to this arrangement is State Department's Office of Inspector General which performs this same function for the Arm Controls and Disarmament Agency. This arrangement was established because the Arms Control and Disarmament Agency is a semiautonomous agency with a special relationship to the Secretary of State. BIB, however, is an independent federal agency with a mission separate and distinct from other foreign affairs agencies. This independence is essential to reinforce RFE/RL's mission of serving as a surrogate radio station broadcasting to Eastern Europe and the Soviet Union. Finally, because of RFE/RL's size and complexity an on-site OIG would be required in Munich regardless of which agency performed the function.

QUESTION:

What protections will employees of the radios have who go to the Inspector General with problems?

ANSWER:

The Inspector General is required by the Inspector General Act of 1978, as amended, to protect the confidentiality of all complainants who furnish information to BIB's Office of Inspector General. The Inspector General cannot disclose the identity of a complainant without the consent of the complainant. In addition, employees may report suspected violations or abuses without fear of reprisal or recrimination by management, etc. These protections are contained in BIB's Inspector General policies and procedures.

RFE/RL OPERATIONS

QUESTION:

The financial audit statement for the radios shows that operating expenses for FY 1989 were $160,352,362. The justification materials show the actual expenses for fiscal year 1989 were $190,795,000. What is the reason for two different figures for operating expenses?

ANSWER:

The following shows the reconciliation between the $190,860,000 in the budget justification and the $160,352,362 appearing in the audit statement:

	Budget Justification	Audit Statement
Operating Expenses	$ 182,364,000	$160,352,362
Capital Expenses	8,496,000	9,144,426
Total Operating & Capital Expenses	$ 190,860,000	$169,496,788
Foreign Exchange Gain	(19,756,000)	-
Audit Adjustments		
- Contingent Liabilities	(1,296,000)	-
- Deferred Revenue	(312,000)	-
	$ 169,496,000	$169,496,788

The audited statement reflects the reduction for exchange gains experienced in FY 1989, year end adjustments for actuarially computed severance, vacation and pension liabilities, and auditor's adjustment for deferred revenue in connection with technical modernization funding.

The line item reconciliation follows:

Reconciliation of FY 1989 Expenses

	FY1989 Column of FY1991 Budget	Allocation of Exchange Gain	Year End Audit Adjustment	Audited Statement
Operating Exp.				
Perm. Emp. Sal.	81,009	(9,530)	869	72,348
Temp. Emp. Sal.	3,521	(348)	-	3,173
Severance	4,653	(869)	1,024	4,808
Taxes	10,516	(1,035)	-	9,481
Pension Program	19,463	(1,592)	(3,487)	14,384
Fringe Benefits	15,839	(1,690)	298	14,447
Total Comp.	135,001	(15,064)	(1,296)	118,641
Admin. Costs:				
Misc. Fees & Prof. Svcs.	11,699	(983)	-	10,716
Travel	1,335	(169)	-	1,166
Rent & Utilities	3,106	(346)	-	2,760
Licenses, Royal. Copyrights	2,025	(191)	-	1,834
Technical	15,659	(1,802)	(977)	12,880
News & Info.	1,439	-	-	1,439
Off. Represent.	48	-	-	48
Conferences	92	-	-	92
General & Admin.	11,960	(1,184)	-	10,776
Tot. Adm. Costs	47,363	(4,675)	(977)	41,711
Operating Exps.	182,364	(19,739)	(2,273)	160,352
Capital Exp.	8,496	(17)	665	9,144
Total Expenses	190,860	(19,756)	(1,608)	169,496

RFE/RL MODERNIZATION IN WESTERN EUROPE

QUESTION:

You are requesting $8,672,000 in the budget for completion of the transmitter modernization program. What would be the consequences of not appropriating this amount?

ANSWER:

The design and implementation of the Maxoqueira transmitting facility has been predicated on assurances that the total amount required would be appropriated. Implementation has thus proceeded in a logical, phased manner. This facility is intended to be operated with a minimum of personnel, largely via remote control from the Gloria transmitting site, some 15 kilometers distant. Doing so requires complex, redundant real-time digital control systems. Installation of these systems quite logically will be the last phase of implementation. Failure to provide the funding required will force elimination of these remote control capabilities, increase the staff required to operate the facility, and produce on-going costs associated with a labor intensive, manually operated site.

QUESTION:

Your audit report shows that there was no lease agreement for the relay station in Spain. Are the modernization improvements being made at your sites in Western Europe secured with long-term lease agreements and, if not, why?

ANSWER:

Modernization has been carried out at four primary transmitting facilities, three in West Germany, and one in Portugal. In the case of the German sites, two have leases that expire in the year 2001, the other expires in 2007. The lease in Portugal expires in February, 1992, and preliminary discussions for long-term renewal have already begun.

RFE/RL has been operating its transmitting site in Spain without a formal agreement with the Spanish government since March 23, 1976. That is when the last 5 year extension to the original agreement expired. With the exception of the installation of one transmitter in 1986, no significant modernization of this facility has been undertaken precisely because there is no long-term lease agreement.

The facility in Spain is ideally situated for shortwave transmission to the USSR, specifically, the Moscow region. No other single location available has the same geographical advantages. The technical importance of this station to the RFE/RL network cannot be overstated.

Despite repeated overtures to the Spanish government in recent years, there has been no demonstrated interest on their part in concluding a new agreement, although relations between the government and RFE/RL have been excellent. When another long-term lease is finally concluded, the aging transmitters at this site should be replaced.

QUESTION:

Have the improvements funded thus far resulted in a significant increase in listenership? Have you been able to determine if the increase is the result of stronger signals or the cessation of jamming?

ANSWER:

The audience to RFE/RL has increased since the end of jamming--in the case of some broadcasting services, considerably. Radio Liberty's audience research department estimates that RL's share of the urban, educated, adult population of the Soviet Union increased from 15% in 1988 to 26% in 1989, in the course of an average week.

Increased listenership is due both to the improved audibility of RFE/RL's broadcasts and to the dramatic political events that have swept the target countries in recent months making possible innovative new programming and unprecedented, new direct access to the target audiences.

In surveys conducted by RFE/RL's audience research department, listeners place reception as one of the most important factors in their decision to listen to Western radio. As competition from domestic radios with good AM and FM reception increases, so have RFE/RL listeners expressions of the importance of maintaining the strongest possible short-wave signal.

When complete the technical modernization of RFE/RL's transmitter sites will enable the Radios to meet the listeners' desire for strong, clear broadcast signals.

QUESTION:

Will the effect of the modernization program in Western Europe permit you to reduce technical staffing needs and thus free up resources for additional programming staff to address the changes in Eastern Europe and the Soviet Union?

ANSWER:

The new transmitting station at Maxoqueira has been designed to provide for automated operation that is not labor intensive. That facility aside, there is no relationship between the modernization program and technical staffing needs. The modernization program was intended to enhance the technical efficiency and audibility of transmissions. Technical staffing is driven by the number of broadcast hours and by programming requirements. Adding or reducing program hours fixes operational staff requirements. There will be minimal impact on such requirements as a result of a completed modernization program.

COMPARISON OF BBC & RFE/RL

QUESTION:

List the languages and hours broadcast of BBC compared to RFE/RL?

ANSWER:

Following is a list of BBC and RFE/RL broadcast hours during a typical week. The figures are accurate through September 1989. These are the only languages shared by both broadcasting organizations. The only common Soviet language is Russian; the BBC does not broadcast to the three Baltic countries.

	RFE/RL	BBC
Bulgarian	62:25	12:30
Czechoslovak*	145:40	21:00
Hungarian	126:35	17:30
Polish	137:40	26:30
Romanian	97:00	14:15
Estonian	21:00	0
Latvian	21:00	0
Lithuanian	21:00	0
Pashto/Dari**	14:00	7:00
Russian	168:00	46:00

Armenian	21:00	0
Azerbaijani	35:00	0
Belorussian	28:00	0
Georgian	21:00	0
Kazakh	28:00	0
Kirghiz	14:00	0
Tajik	14:00	0
Tatar-Bashkir	28:00	0
Turkmen	10:30	0
Ukrainian	97:25	0
Uzbek	21:00	0

* BBC Czech and Slovak transmissions are separate; RFE/RL transmissions combine Czech and Slovak.

** RFE/RL's Radio Free Afghanistan broadcasts to Afghanistan in both Dari and Pashto; the BBC broadcasts only in Pashto.

Wednesday, February 21, 1990.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

WITNESSES

EVAN J. KEMP, JR., CHAIRMAN DESIGNEE
R. EDISON ELKINS, ACTING MANAGEMENT DIRECTOR
JAMES H. TROY, DIRECTOR, OFFICE OF PROGRAM OPERATIONS
RICHARD D. KOMER, LEGAL COUNSEL
DOLORES L. ROZZI, DIRECTOR, OFFICE OF REVIEW AND APPEALS
WILLIAM H. NG, DEPUTY GENERAL COUNSEL
R. GAULL SILBERMAN, VICE CHAIRMAN
DEBORAH J. GRAHAM, DIRECTOR, OFFICE OF COMMUNICATIONS AND LEGISLATIVE AFFAIRS
MARCIA V. SAYER, STAFF DIRECTOR, LEGISLATIVE AFFAIRS
ROBERT J. FUNK, ACTING CHIEF OF STAFF
MARY STRINGER, BUDGET DIVISION
GEORGE PEARCE, BUDGET DIVISION
TONY GALLEGOS, COMMISSIONER-DESIGNEE

Mr. Smith [presiding]. Next, we will hear testimony concerning the fiscal year 1991 budget request of the Equal Employment Opportunity Commission. The request is for $195,867,000, which is an increase of $10,941,000 over the fiscal year 1990 appropriated level of $184,926,000.

We shall insert the budget justification materials submitted in support of this request into the record at this point.

[The justifications follow:]

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

1991 BUDGET

SUBMITTED TO THE CONGRESS OF THE UNITED STATES

JANUARY 1990

TABLE OF CONTENTS

Appropriation Language 2

Organizational Chart 3

Analysis of Change 4

Summary of Requirements 6

General Data 7

Budget Activity I - Executive Direction and Program Support 9

Budget Activity II - Enforcement 15

Workload Tables

- Private Sector Enforcement: Compliance Activity 16
- Private Sector Enforcement: Litigation Activity 17
- Federal Sector Enforcement: Hearings Activity 18
- Federal Sector Enforcement: Review and Appeals 19

Budget Activity III - State and Local 31

Workload Table

- State and Local 32

APPROPRIATION LANGUAGE

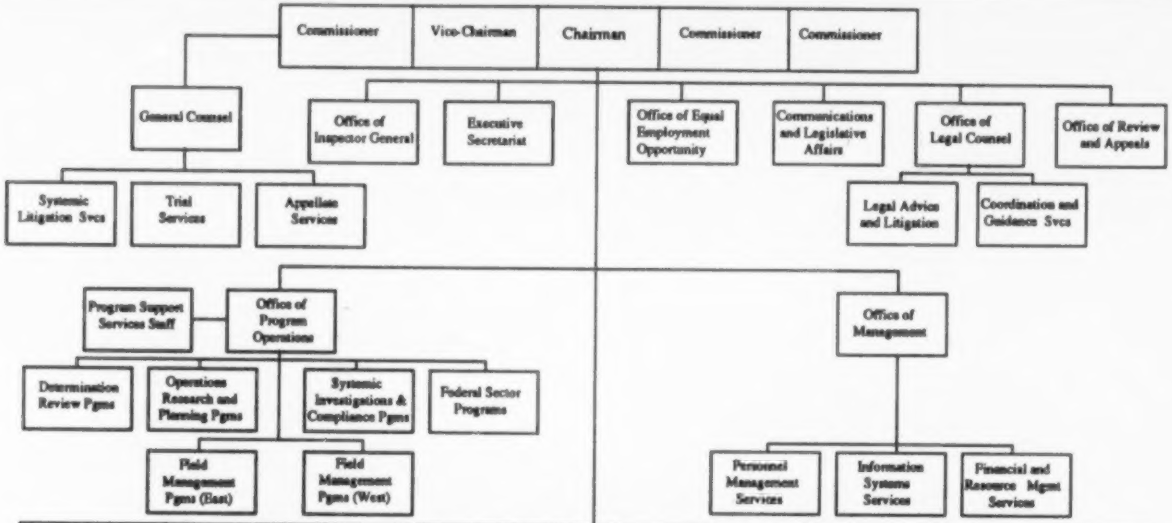
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

General and Special Funds:

SALARIES AND EXPENSES

For necessary expenses of the Equal Employment Opportunity Commission as authorized by title VII of the Civil Rights Act of 1964, as amended (29 U.S.C. 206(d) and 621-634), including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed $20,000,000 for payments to State and local enforcement agencies for services to the Commission pursuant to title VII of the Civil Rights Act, as amended, and Sections 6 and 14 of the Age Discrimination in Employment Act: [$184,926,000: *Provided*, That the final rule regarding unsupervised waivers under the Age Discrimination in Employment Act, issued by the Commission on August 27, 1987 (29 CFR sections 1627.16(c)(1)-(3)), shall not have effect during fiscal year 1990: *Provided further*, That none of the funds may be obligated or expended by the Commission to give effect to any policy or practice pertaining to unsupervised waivers under the Age Discrimination in Employment Act, except that this proviso shall not preclude the Commission from investigating or processing claims of age discrimination, and pursuing appropriate relief in Federal count, regardless of whether an unsupervised waiver of rights has been sought or signed] *$195,867,000. (The Departments of Commerce, Justice, and State; the Judiciary; and Related Agencies Appropriations Act, 1990).*

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
FY 1991 CONGRESSIONAL BUDGET


Commissioner
Vice-Chairman
Chairman
Commissioner
Commissioner
General Counsel
Office of Inspector General
Executive Secretariat
Office of Equal Employment Opportunity
Communications and Legislative Affairs
Office of Legal Counsel
Office of Review and Appeals
Systemic Litigation Svcs
Trial Services
Appellate Services
Legal Advice and Litigation
Coordination and Guidance Svcs
Program Support Services Staff
Office of Program Operations
Office of Management
Determination Review Pgms
Operations Research and Planning Pgms
Systemic Investigations & Compliance Pgms
Federal Sector Programs
Field Management Pgms (East)
Field Management Pgms (West)
Personnel Management Services
Information Systems Services
Financial and Resource Mgmt Services

DISTRICT, FIELD*, AREA** AND LOCAL*** OFFICES

FIELD MANAGEMENT (EAST)

ATLANTA
Savannah***

BALTIMORE
Norfolk**
Richmond**

BIRMINGHAM
Jackson**

CHARLOTTE
Greensboro***
Greenville***
Raleigh**

CLEVELAND
Cincinnati**

MEMPHIS
Little Rock**
Nashville**

MIAMI
Tampa**

NEW ORLEANS

NEW YORK
Boston**
Buffalo***

PHILADELPHIA
Newark**
Pittsburgh**

ST. LOUIS
Kansas City**

WASHINGTON*

FIELD MANAGEMENT (WEST)

CHICAGO

DALLAS
Oklahoma City**

DENVER

DETROIT

HOUSTON

INDIANAPOLIS
Louisville**

LOS ANGELES
San Diego***

MILWAUKEE
Minneapolis***

PHOENIX
Albuquerque**

SAN ANTONIO
El Paso**

SAN FRANCISCO
Fresno***
Honolulu***
Oakland***
San Jose***

SEATTLE

ANALYSIS OF CHANGE
(Funds in thousands of dollars)

Summary of adjustments to base and built-in changes:	FTE	AMOUNT
1990 Appropriation	3,000	184,926
Increases to base:		
Compensation and Benefits		
1. FY 1990 Annualization Costs:		
o FY 1990 Promotions	...	1,383
o FY 1990 Within Grade Increases	...	656
2. FY 1991 Compensation and Benefit Increases:		
o FY 1991 PMRS Increases	...	819
o FY 1991 Promotions	...	1,516
o FY 1991 Within Grade Increases	...	797
o FY 1991 Extra Compensable Day	...	481
3. Increase for DOL Worker's Compensation Fund	...	116
4. FY 1991 Increased Enforcement Position Utilization	50	1,957

ANALYSIS OF CHANGE

(Funds in thousands of dollars)

	FTE	AMOUNT
Non-Salary		
1. Training	...	1,198
2. Adjustments to other operating costs (Additional day, 50 additional FTE and other costs)	...	1,826
3. Additional amount required by GSA for Standard Level User Charges (SLCU)	...	1,192
Total increases to base	50	11,941
Decreases to base:		
1. Statutory required study on validity of fitness tests for police and firefighters	...	(1,000)
Total decreases to base	...	(1,000)
Total Adjustment to Base	50	10,941
Total FY 1991 Agency Request	3,050	195,867

SUMMARY OF REQUIREMENTS BY OBJECT CLASS

(Funds in thousands of dollars)

APPROPRIATIONS: SALARIES AND EXPENSES	1990 Estimate		1991 Estimate		Inc(+) or Dec(-)	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
11.1 Full-time permanent	2,948	108,022	2,994	112,825	46	4,803
11.3 Other than full-time permanent	52	1,443	56	1,599	4	156
11.5 Other personnel compensation		350		425		75
11.8 Special personnel service payments		30		35		5
11.9 Total personnel compensation	3,000	109,845	3,050	114,884	50	5,039
12.1 Civilian personnel benefits		18,333		19,125		792
13.0 Benefits to former personnel		156		150		(6)
21.0 Travel and transportation of persons		1,482		2,682		1,200
22.0 Transportation of things		82		127		45
23.1 Rental payments to GSA		16,061		17,253		1,192
23.2 Rental payments to others		3,112		3,991		879
23.3 Communications, utilities and miscellaneous charges		6,073		5,164		(909)
24.0 Printing and reproduction		340		450		110
25.0 Other services		7,622		9,295		1,673
26.0 Supplies and materials		1,531		1,846		315
31.0 Equipment		289		900		611
41.0 Grants, subsidies, and contributions		20,000		20,000		0
42.0 Insurance claims and indemnities		0		0		0
99.0 Total obligations		184,926		195,867	50	10,941

FISCAL YEAR 1991 BUDGET REQUEST

GENERAL DATA

The Commission was created by Title VII of the Civil Rights Act of 1964 (78 Stat. 253, 42 U.S.C. 2000e et seq.), as amended by the Equal Employment Opportunity Act of 1972 (Public Law 92-261), and became operational on July 2, 1965. Title VII requires that the Commission be composed of five members, not more than three of whom shall be of the same political party. The members are appointed by the President, by and with the consent of the Senate, for 5-year terms. The President designates one member to serve as Chairman and one member to serve as Vice Chairman. The General Counsel is also appointed by the President, by and with the advice and consent of the Senate, for a term of four years.

The Commission enforces Title VII of the Civil Rights Act which prohibits employment discrimination on the basis of race, color, religion, sex, or national origin by public and private employers of 15 or more employees (excluding elected or appointed officials of State and local governments), public and private employment agencies, labor organizations with 15 or more members, agencies which refer persons for employment or which represent employees or employers covered by the Act, and joint labor-management apprenticeship programs for covered employers and labor organizations. The Commission carries out its mission through investigations, conciliation, litigation, coordination, and regulation in the Federal sector and through education, policy research, and provision of technical assistance.

The Commission, through its field and Headquarters offices, is responsible for receiving and investigating charges of employment discrimination. Individual Commissioners may initiate charges if they receive information suggesting that the law has been violated. If the Commission decides after investigation that reasonable cause exists to believe that a violation of Title VII has occurred, a full remedy is sought through the process of conciliation.

As a result of the 1972 amendments to Title VII, the Commission, if unable to achieve a remedy through conciliation, is empowered to file suit in the Federal District Court in order to achieve compliance with Title VII. If the case involves a State or local government, the Commission will refer it to the Attorney General, who may file suit in Federal Court.

Under Executive Order 12067, the Commission provides leadership and coordination to the efforts of Federal departments and agencies to enforce Federal statutes, executive orders, regulations, and policies which require equal employment opportunity without regard to race, color, religion, sex, national origin, age, or handicap and to eliminate conflict, competition, duplication, and inconsistency among the operations, functions, and jurisdictions of the Federal departments and agencies having responsibility for enforcing such statutes, executive orders, regulations, and policies. All Federal departments and agencies are required to cooperate with and assist the Commission in the performance of these functions under this executive order and are required to furnish the Commission with such reports and information as it may require.

The President's Reorganization Plan No. 1 of 1978 transferred to EEOC (from the Civil Service Commission and the Department of Labor) the authority to enforce Section 717 of Title VII, Section 501 of the Rehabilitation Act of 1973, the equal pay provisions of the Fair Labor Standards Act, and the Age Discrimination in Employment Act (ADEA). ADEA protects workers age 40 and above from discrimination in hiring, discharge, pay, promotions, fringe benefits, and other aspects of employment by employers having 20 or more employees. The Equal Pay Act (EPA) of 1963 prohibits sex discrimination in the payment of wages to men and women performing equal work in the same establishment. The Commission receives and investigates charges of discrimination in these areas and makes findings of "violation" or "no violation." The Commission may also initiate investigations under these acts without a specific charge being filed.

Under Section 501 of the Rehabilitation Act of 1973, which bars discrimination by Federal agencies on the basis of handicap, and under Section 717 of Title VII, the Commission has overall responsibility for the procedures used by Federal departments and agencies in processing internal complaints of discrimination upon the request of the complainant. In addition, the Commission has appellate jurisdiction to review final decisions of departments or agencies on discrimination complaints. It is also responsible for ensuring that Federal departments and agencies maintain affirmative programs of equal employment opportunity.

The Commission seeks to fulfill its mission of eradicating discrimination in the workplace by ensuring compliance with the statutes the Agency enforces through implementation of a vigorous law enforcement program. The Commission's enforcement policy stresses consistent enforcement and full corrective, remedial, and preventive relief in all cases where it is determined that unlawful employment discrimination has occurred.

BUDGET ACTIVITY I - EXECUTIVE DIRECTION AND PROGRAM SUPPORT

(Dollars in Thousands)

PROGRAM DESCRIPTION

This budget program provides the framework within which the Commission formulates the policy and program plans required to effectively carry out the mission of the Agency. It provides overall direction, policy, and planning for all Commission enforcement and support activities, as well as leadership and coordination of Federal equal employment efforts. This program includes the following offices:

OFFICES		FTE	Amount
Chairman & Executive Secretariat		25	1,768
Commissioners		22	1,683
Office of Management		137	8,730
Office of Inspector General		13	951
Office of Communications and Legislative Affairs		14	1,126
Office of Equal Employment Opportunity		16	995
	TOTAL	227	15,253

SUMMARY OF PROGRAM REQUEST

1990 Estimate		1991 Estimate		Inc(+) or Dec(-)	
FTE	Amount	FTE	Amount	FTE	Amount
227	15,071	227	15,253	...	+ 182

Commission efforts to improve management systems will continue throughout FY 1991. The program request reflects only increased costs resulting from mandatory pay and benefit increases.

COMMISSION FUNCTIONS

EEOC establishes and approves policies, procedures, precedents, programs, guidelines, and other directives that will enable the Agency to carry out its mission. The Commission receives and investigates charges of employment discrimination, determines whether there is reasonable cause to believe that violations exist, and attempts to secure relief through conciliation and litigation. The Commission approves the filing of suits under Title VII of the Civil Rights Act of 1964, as amended; EPA; and ADEA in the appropriate Federal District Courts and requests such relief as the Commission believes necessary to make whole victims of unlawful discrimination in employment. The Commission provides leadership and coordination to Federal departments and agencies with equal employment opportunity programs, consults with and utilizes the special expertise of Federal departments and agencies in carrying out coordination functions, and cooperates with such departments and agencies in the implementation of its equal employment coordination responsibilities under Executive Order 12067. The Commission conducts hearings on a number of issues, e.g., on proposed regulations which would improve record-keeping requirements on employees, employment agencies, or labor organizations. The Commission also makes final judgments on all appeals of denials of Freedom of Information Act requests, makes final judgments on appeals from agency decisions on complaints of employment discrimination, and reviews selected Merit Systems Protection Board decisions in which discrimination is an issue.

OFFICE OF THE CHAIRMAN

The Chairman, on behalf of the Commission, is responsible for the implementation of Commission policy and for the administration of the Commission, including the appointment of such officers, agents, attorneys, hearing examiners, and employees of the Commission as he deems necessary to assist the Commission in the achievement of its mission and the performance of its functions. The Chairman recommends policies, procedures, and programs to the Commission and carries out such further functions as are authorized by the Commission or are necessary and proper to carrying out the powers of the Commission, including having responsibility for the financial management of the Commission.

OFFICE OF THE COMMISSIONER'S

The Commissioners recommend policies and programs to the Commission; develop and guide the policies of the Commission; participate equally on all matters that come before the Commission in the exercise of their powers; decide questions by a majority vote (a quorum being present); issue Commissioners' charges of discrimination (when appropriate); authorize and approve the filing of suits; and perform such other functions as may be authorized by the Commission, requested by the Chairman, or prescribed by law, regulation, or order.

EXECUTIVE SECRETARIAT

The Executive Secretariat, under the direction of the Chairman, serves as staff to the Chairman and the Commissioners and provides the agency with a focal point for processing, storing, retrieving, documenting and tracking of policy related and decision documents flowing to and from the Chairman, Commissioners and program offices.

The Executive Secretariat coordinates all policy development documents for Commission consideration, including arranging such meetings and/or briefings for the Commissioners as may be necessary to the discussion of such documents. The Executive Secretariat serves as the central source of internal information on Commission policy development and on decisions made by the Commission. The Executive Secretariat also prepares periodic reports to the Chairman/Commission on the status of the development and implementation of policy related issuances. The Executive Secretariat stores and retrieves all policy related and decision documents, receives, gets approval for and distributes Commission agenda items, makes all arrangements for Commission meetings, and maintains tape recordings of Commission meetings and an index system for easy retrieval of information concerning items discussed at Commission meetings.

The Executive Secretariat carries out responsibilities under the Government in the Sunshine Act and the Freedom of Information Act and controls, analyzes and tracks documents addressed to the Chairman and other sensitive correspondence. The Executive Secretariat monitors assignments from and responses to the Commission and assists in coordinating the sharing of information among the Commissioners' and program offices.

OFFICE OF COMMUNICATIONS AND LEGISLATIVE AFFAIRS

The Office of Communications and Legislative Affairs serves as the Commission's primary external communications link with the news media, Congress, the public, and conducts internal communications with employees.

The Legislative Affairs Staff serves as the communications link between the Commission and Congress. The Legislative Affairs Staff coordinates and responds to congressional communications; conducts liaison with members of Congress, congressional committees, congressional staffs, and legislative agencies; conducts intergovernmental liaison with executive branch agencies, as required (except coordination under Executive Orders 12067, 12106, and 12291); tracks, researches, and analyzes legislation and issues; and guides District Directors on congressional relations.

The Communications Staff communicates the Commission's policies and programs internally among employees and externally to the public. The Communications Staff serves as liaison with the news media, provides public information, produces publications and annual reports to the President and Congress, coordinates internal communications between the Commission and its employees, coordinates the Agency's Speakers Bureau, coordinates communications with external nongovernmental organizations, conducts seminars and exhibits, produces public service announcements, and guides District Directors on media relations.

OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY

The Office of Equal Employment Opportunity (EEO) counsels agency employees and applicants who believe they have experienced discrimination, by the Commission, and investigates and recommends disposition of discrimination complaints filed against the Commission. The Office of EEO also designs, complements, and monitors the Commission's affirmative employment plans and special emphasis programs promoting equal employment opportunities for employees and applicants for employment at EEOC.

OFFICE OF INSPECTOR GENERAL

The Office of Inspector General (OIG) performs independent examinations and audits of the programs and operations of all Commission organizational elements, and conducts investigations concerning all allegations of fraud, waste, and mismanagement within EEOC. OIG audits provide the Commission with an independent analysis of the integrity of EEOC's operations in the areas of financial accountability and resource management, and assure that EEOC programs and activities are operated efficiently in accordance with legally prescribed guidelines and Federal audit standards. OIG investigations are directed to detect and prevent fraud, waste, abuse and mismanagement, and to gather sufficient evidence to recommend proposed disposition of such matters. OIG reports its findings and makes recommendations directly to the Chairman. OIG conducts internal audits of the Commission's operations and evaluates the Commission's implementation of OMB Circular's A-123, Internal Controls; A-50, Audit Follow-up; and A-76, Performance of Commercial Activities, as well as the Agency's compliance under the Financial Management Integrity Act.

OFFICE OF MANAGEMENT

The Office of Management (OM) provides management support services to the Commission's 63 headquarters and field offices nationwide and maintains proper internal control systems throughout the Agency. OM conducts management and organizational analyses and provides guidance for employee performance systems; personnel and labor relations services; budget, finance, and debt collection; contract and procurement services and administrative support services.

Personnel Management Services (PMS) plans, develops, and administers personnel policies, programs, procedures, and standards for the Commission. PMS provides classification, staffing, recruitment, employee relations, labor relations, employee benefits, and other personnel services and negotiates and administers labor-management agreements for the Commission. It also administers the Commission's health and safety, employee assistance, drug testing, and retirement (CSRS/FERS) programs, as well as the performance appraisal systems and organizational approval processes.

Financial and Resource Management Services (FRMS) establishes, monitors, and maintains control over the Commission's budget and oversees accounting for agency funds. FRMS also formulates the Commission's budget; monitors the expenditure of funds; develops and monitors the personnel ceiling; develops and implements financial and accounting procedures; operates the debt collection program; oversees the operation of the travel program; and administers programs for contracts, procurement, and small purchases. FRMS also develops and administers management support programs including maintaining the Commission Library, overseeing the utilization of property and equipment, printing and publication, forms distribution, telecommunications, and administers the Commission's records management programs.

BUDGET ACTIVITY II - ENFORCEMENT

(Dollars in Thousands)

PROGRAM DESCRIPTION

This budget program is responsible for the enforcement of the statutes under the Agency's jurisdiction: Title VII, ADEA, EPA, and with regard to the Federal sector, Section 501 of the Rehabilitation Act. Enforcement activities, and the programmatic oversight and technical guidance for these activities are carried out by the offices listed below:

OFFICES		FTE	Amount
Field Offices		2,263	120,799
Office of Program Operations		198	15,302
Information Systems Services (OM)		36	3,439
Office of Legal Counsel		63	7,766
Office of General Counsel		94	7,226
Office of Review and Appeals		89	6,082
	TOTAL	2,823	160,614

SUMMARY OF PROGRAM REQUEST

1990 Estimate		1991 Estimate		Inc(+) or Dec(-)	
FTE	Amount	FTE	Amount	FTE	Amount
2,773	149,855	2,823	160,614	+50	+ 10,759

PRIVATE SECTOR ENFORCEMENT
COMPLIANCE ACTIVITY

WORKLOAD	FY 1989 Actual	FY 1990 Estimate	FY 1991 Estimate
Charges/Complaints Pending	53,488	46,071	37,010
Total Receipts to Process	55,952	55,952	55,952
Transfers	2,840	2,840	2,840
Total Workload	112,280	104,863	95,802
Charges/Complaints Closed	66,209	67,853	68,643
Charges/Complaints Forwarded	46,071	37,010	27,159

PRIVATE SECTOR ENFORCEMENT
LITIGATION ACTIVITY

WORKLOAD	FY 1989 Actual	FY 1990 Estimate	FY 1991 Estimate
Cases Entering Fiscal Year	792	833	858
Total Cased Filed	599	550	550
Total Workload	1,391	1,383	1,408
Total Resolutions	558	525	540
Total Cases Forwarded	833	858	868

FEDERAL SECTOR ENFORCEMENT
HEARINGS ACTIVITY

WORKLOAD	FY 1989 ACTUAL	FY 1990 ESTIMATE	FY 1991 ESTIMATE
TOTAL COMPLAINTS PENDING	2,651	2,215	1,658
TOTAL COMPLAINTS RECEIVED	5,183	5,183	5,183
TOTAL WORKLOAD	7,834	7,398	6,841
TOTAL COMPLAINTS CLOSED	5,619	5,740	6,504
TOTAL COMPLAINTS FORWARDED	2,215	1,658	336

FEDERAL SECTOR ENFORCEMENT REVIEW AND APPEALS ACTIVITY

WORKLOAD	FY 1989 Actual	FY 1990 Estimate	FY 1991 Estimate
Complaints Pending	1,860	1,600	1,840
Complaints Received	5,540	6,040	6,490
Total Workload	7,400	7,640	8,330
Complaints Closed	5,800	5,800	6,380
Complaints Forwarded	1,600	1,840	1,950

OFFICE OF PROGRAM OPERATIONS

The Office of Program Operations (OPO) manages, monitors, and directs the administrative enforcement activities of EEOC's 50 field offices. Specifically, OPO directs investigations of individual, class, and Commissioner-initiated pattern and practice claims of employment discrimination. Further, OPO has oversight responsibility for the administrative activities associated with complaints processing and affirmative employment programs in the federal government.

OPO is comprised of the Office of the Director and seven program areas structured to provide optimal support to the field and the law enforcement program in accordance with the statutes and regulations enforced by the Agency and the program goals and objectives set forth annually.

The Office of the Director provides overall leadership, direction, coordination, and administrative support to OPO and the field, and has ultimate supervisory, management and fiscal responsibility for the Office.

Field Management Programs, East and West (FMP) supervise District Directors on all aspects of field operations and management activities. The field offices are divided into two geographical regions. The FMP Analysts are the primary liaisons with the field in terms of coordinating official policy, program, and managerial requirements. FMP works closely with the Office of General Counsel (OGC), and all headquarters directors who provide support services to the program, to ensure that the administrative and litigation enforcement strategies and approaches are fully integrated into an effective, national law enforcement program.

The Field Offices, under the direction of the 23 District Directors, enforce the statutory, regulatory, and policy and program responsibilities of the Commission through full investigation of the merits of each charge, sound determination, appropriate conciliation and litigation, as necessary. The field is responsible for fulfilling a wide range of productivity objectives that focus on high quality, timely and appropriate resolution of individual, class and systemic charges, and for securing make-whole relief for victims of discrimination in accordance with Commission policies.

EEOC's field structure is composed of 23 District Offices, one Field Office, 16 Area Offices and 10 Local Offices. While all field offices are responsible for the receipt and investigation of charges, the District Offices provide oversight of Area and Local Offices and are charged with additional responsibilities in the areas of administration, systemic investigations, federal hearings, affirmative action programs, and legal review and litigation. District Offices also inform the public as to its rights under the laws enforced by EEOC, and provide access to individuals who are geographically distant from EEOC field offices or whose primary language is other than English.

Systemic Investigations and Individual Compliance Programs (SIICP), is responsible for identifying and investigating pattern and practice discrimination cases at Headquarters and providing technical guidance regarding field investigations of systemic and limited scope Commissioner charges. SIICP is also responsible for monitoring EEOC's work sharing agreements with the Fair Employment Practices Agencies (FEPAs) and Tribal Employment Rights Organizations (TEROs). Further, SIICP prepares approved changes to charge processing directives, Volume I of the Compliance Manual, and other program guidance memoranda.

Determinations Review Programs (DRP) is responsible for implementing the Commission's 1986 Policy on No Reasonable Cause Findings, directing that charging parties be granted the opportunity to seek Headquarters review of no violation determinations issued by field offices. This policy statement is based on the premise that EEOC investigations are impartial, thorough, legally sound and professional. A seasoned team of DRP investigators and attorneys review files and remand cases back to the field for further investigation, as necessary, to determine whether to uphold the no violation determinations, or reverse the decision and recommend reasonable cause determinations to the Program Director.

Federal Sector Programs (FSP) provides leadership, guidance and technical assistance to federal agencies on all aspects of their equal employment opportunity programs. FSP develops proposed Commission policies and monitors implementation of approved affirmative employment policies and programs designed to ensure the hiring, placement and advancement of minorities, women and disabled individuals in the federal government. FSP also has oversight responsibility for federal agency pre-appellate complaint processing programs, with specific management responsibility for EEOC's Hearing Program, which provides complaintants with the opportunity for a hearing before an EEOC Administrative Law Judge at the conclusion of a federal agency EEO investigation.

Operations Research and Planning Programs (ORPP) determines the statistical information required by OPO in planning and implementing its functions. Specifically, ORPP designs and conducts surveys of employment sectors, known as the EEO-1-6 surveys, analyzes workload data from employment sectors and from OPO field and headquarters offices, and prepares organizational effectiveness studies for OPO planning purposes and scholarly studies for public use. ORPP disseminates survey data to help field offices and FEPAs provide evidence for charge resolution. ORPP provides the field with automated capabilities to increase the quality and timeliness of its investigations. ORPP also maintains EEOC's national data base containing the Agency's Charge Data System (CDS) regarding operational information for enforcement, management, and analyses purposes.

The Program Support Services Staff (PSSS) develops and administers substantive, procedural, administrative, and technical training and materials in the area of staff development in headquarters, the field, and outside EEOC (e.g., FEPAs, federal agencies). PSSS designs, implements, and evaluates systems designed to enhance the quality of work and productivity of employees.

The Administrative Support Services Staff is responsible for all administrative and technical services provided to all components of OPO, including staffing, financial, and procurement-related services.

INFORMATION SYSTEMS SERVICES

Information Systems Services (ISS) provides leadership, guidance, direction and support to the Commission on all aspects of automatic data processing including computerized data and office automation. ISS also oversees and supports a nationwide tracking system of all agency charges and develops, implements and supports all aspects of information automation in the Commission. This includes technical support services, system testing and development, information resource management planning and automated information security.

ISS oversees and supports the Charge Data System (CDS), which was designed by ISS to improve the quality and efficiency of program data. CDS is the focus of phased enhancements which adopt new communications and computer equipment to provide more valuable information to managers and policy makers within the Commission, as well as improved service to the public.

ISS also provides technical support for the maintenance of other Commission major application systems, including National Equal Employment Surveys, the Commission Accounting System, and the Personnel Information Resource System.

OFFICE OF LEGAL COUNSEL

The Legal Counsel is the principal advisor to the Commission and staff on legal matters other than enforcement litigation and is responsible for the development of policy guidance through the preparation of regulations and guidelines, Commission decisions, opinion letters, and interpretative sections of the Compliance Manual. In addition, the Legal Counsel carries out the Commission's functions as leader and coordinator of the equal employment responsibilities of Federal departments and agencies pursuant to Executive Order 12067. The Office of Legal Counsel is organized into three divisions that report directly to a Deputy Legal Counsel and three divisions that report to an Associate Legal Counsel for Coordination and Guidance Services.

The Advice and External Litigation Division represents the Commission in suits brought by parties external to the Agency. These suits include those brought by charging parties and respondents challenging settlements, procedures, policies, or jurisdictional issues under the statutes administered by the Military Personnel and Civilian Employee Claims Act, the Freedom of Information Act, the Privacy Act, the Sunshine Act, and actions challenging policy interpretations. In its capacity as legal advisor to the Commission and its varied offices, the division is also responsible for reviewing applications from FEP Agencies for 706 designation and Commission contracts and procurement actions for legal sufficiency; providing legal advice; implementation of the Freedom of Information Act; reviewing the Commission's directives and management orders for legal sufficiency; and providing guidance and advice on employee ethics.

The two Internal Litigation Divisions are responsible for representing the Commission's defense to litigation brought by Commission employees. In this capacity, they represent the Agency in administrative matters. These include EEO hearings and appeals to the Merit Systems Protection Board including petitions to the full board. These two divisions represent the Commission in lawsuits before the Federal Courts arising from personnel actions. They also represent the Agency in unfair labor practice cases, in negotiated grievance proceedings arising under the Collective Bargaining Agreement, and in matters subject to arbitration.

The Coordination Division provides the mechanism for interagency leadership and review of the Federal Government's equal employment opportunity enforcement responsibilities pursuant to Executive Order 12067. The division fulfills this function by developing uniform standards, regulations, and guidelines and identifying training needs, record-keeping and reporting requirements, data-collection and data-sharing systems, and complaint systems.

In addition, the Coordination Division initiates actions to coordinate and provide assistance to the Federal Government's equal employment opportunity programs by reviewing, commenting, and obtaining consensus on proposed standards, regulations, guidelines, and procedures of other Federal agencies in order to obtain a unified Federal approach. The Division also develops Commission policy as it pertains to the Rehabilitation Act of 1973.

The ADEA Division, pursuant to ADEA, is responsible for the development of guidance through the drafting of regulations and guidelines, precedent-setting Commission decisions, new and revised sections of the Compliance Manual, Volumes II and III, and the preparation of opinion letters.

The Title VII/Equal Pay Division performs the same functions as the ADEA Division pursuant to Title VII of the Civil Rights Act, as amended, and EPA. It performs its functional responsibilities through the development of regulations and guidelines, preparation of opinion letters, drafting of precedent-setting Commission decisions, and the drafting of new and revised sections of the Compliance Manual, Volumes II and III.

The Office of Legal Counsel annually responds to over 10,000 phone inquires for information, interpretations, guidance, and advice from field and Headquarters offices, members of the public and private sectors, Congress, and other Federal agencies. The office manages over 400 Freedom of Information Act requests and appeals, 125 lawsuits where EEOC is joined as a defendant as the enforcement agency, 150 ethics issues, over 600 contract reviews, 15 regulatory actions, and 60 trials or administrative hearings.

OFFICE OF GENERAL COUNSEL

The General Counsel is responsible for the conduct of enforcement litigation on behalf of the Commission in the United States District Courts and the United States Courts of Appeals. (See Section 705(b)(1) of Title VII, 42, U.S.C. 2000e-4(b)(1). Pursuant to Section 705(b)(2) of Title VII, Supreme Court litigation is conducted by the Solicitor General.

The components of OGC include three separate Services and a Research staff. Appellate Services conducts litigation on behalf of the Commission as a party in the United States Courts of Appeals, and litigation on behalf of the Commission as amicus curiae in state and federal courts other than the Supreme Court.

Trial Services supervises the conduct of enforcement litigation in the legal units in each of the Commission's 23 District Offices and reviews district office recommendations concerning cases presented to the General Counsel for submission to the Commission for litigation approval.

Systemic Litigation Services conducts cases alleging patterns and practices of discriminatory conduct.

The Research and Analytic Staff provides technical and expert witness support to attorneys and investigators on the use of analytic methods in the litigation and investigation of Title VII, ADEA and EPA cases.

Under Title VII, which prohibits employment discrimination on the basis of race, color, religion, sex, and national origin; the ADEA, which prohibits employment discrimination on the basis of age; the EPA, which prohibits unjustified sex discrimination in wages and in jobs which involve substantially equal skill, effort and responsibility, and Commission procedures the General Counsel may consider recommending a case to the Commission for litigation only after (1) the filing of a valid and timely charge of discrimination; (2) an investigation initiated by the charge; (3) finding reasonable cause to believe that a violation of Title VII has occurred; (4) an attempt to resolve and eliminate alleged illegalities by "informal methods of conference, conciliation, and persuasion", and; (5) failure of conciliation.

Once failure of conciliation has occurred, the Regional Attorney, in each of the Commission's 23 District Offices, is required by Commission procedure to review potential litigation vehicles and recommend to the General Counsel those cases for litigation. Following the case selection, a recommendation is forwarded to the General Counsel for review and presentation to the Commission. However, when litigation is not authorized by the Commission, the case is returned to the District Office, and the charging party is authorized to bring a private Title VII action against the respondent.

The following is a list of major cases which have been resolved during the past fiscal year:

o EEOC v. Chrysler Corporation - This suit was filed under the ADEA. The issue in this case was whether in 1979 and 1980 Chrysler required or permitted the involuntary retirements of employees age 55 years or more with at least 10 years of service. Under the Final Consent Decree (filed January 11, 1989) approved by the court the company agreed to pay $1.5 million in backpay and interest to one hundred forty-nine (149) class members.

o EEOC v. Commonwealth Edison - This was a Title VII suit, filed in 1985 alleging defendant engaged in discriminatory practices in recruiting and hiring on the basis of sex (female). A consent decree was entered and approved by the court in the amount of $1.5 million and $50,000 other relief benefiting four hundred (400) persons.

o EEOC v. March Manufacturing - This suit was filed under Title VII alleging discrimination on the basis of race (black) and sex (female). The issue was whether Defendant discriminated against charging parties by failing to hire because of race (black); whether Defendant discriminated against blacks in hiring and recruiting; and whether the Defendant discriminated on basis of sex (female) in advertising hiring preferences. Suit was resolved by consent decree which provided monetary relief in the amount of $985,000 and $40,000 other for fifty (50) persons.

o EEOC v. Cook County Department of Correction - This suit was filed under the ADEA alleging that the company discriminated on the basis of age. The issue was whether the Defendant discriminated against older correctional officers by mandatorily retiring them because of their age. The suit was resolved by Court Order, monetary relief in the amount of $1,372,517 and $200,000 other was awarded to sixteen (16) persons.

o EEOC v. Tesko Welding Manufacturing - This suit was filed under Title VII alleging that Defendant discriminated on the basis of race (black). At issue was whether Defendant discriminated against charging party by failing to hire and whether Defendant discriminated against blacks in its hiring and recruitment practices. The suit was settled by Judgment, and approximately one hundred and twenty (120) persons benefitted in the monetary relief of $1,637,100 plus $10,000 in other relief.

o EEOC v. Deere & Co. - This ADEA case involved charges of discrimination from a company wide reduction in force. The Commission and the employer entered into a pre-litigation settlement agreement which provided approximately $3 million in supplemental severance pay and $1.3 million enhanced pension benefits for as many as 116 salaried exempt employees who were age 40 or older at the time of the workforce reduction. In addition, the settlement agreement includes offers of reemployment and or additional supplemental severance pay and enhanced pension benefits package for up to seven of the terminated employees. The employer has also agreed to increase its budget for in house equal employment opportunity programs by $100,000 to provide additional instruction for managers on the ADEA.

o EEOC v. Joseph E. Seagram & Sons, Inc. - On February 1, 1985, Joseph E. Seagram & Sons, Inc. reorganized its domestic sales and marketing companies. It eliminated two sales companies (General Wine and Calvert) and established two new companies (375 Spirits Company and Perennial Sales Company). During this reorganization, Seagram terminated a number of employees age 40 or older. On March 28, 1988, the EEOC commenced an action against Seagram for violation of the ADEA and concurrently moved to intervene in a private suit brought by 24 former employees against Seagram, James J. Mann, et al. v. Joseph E. Seagram and Sons, Inc, C.A. No. 87-90-CIV-T-13C, (M.D. Fla.). The case was settled by the Partial Consent Decree, providing $2.1 million in back pay, front pay, liquidated damages, and pension enhancement relief for the class of approximately 59 victims. The Decree also provides a Supplemental Fund to compensate certain Mann plaintiffs should their decision to opt in be ruled untimely; the Mann action remains otherwise unaffected by this Decree.

In addition to maintaining a vigorous trial litigation program, EEOC maintains an appellate litigation program which handles a number of complex cases in which the Commission is involved as a party as well as cases in which the Commission appears as amicus curiae.

Some significant cases were:

o EEOC v. General Telephone Company of the Northwest, Inc., - The court of appeals reversed the district court judgment for the defendant and remanded for a new trial in this pattern and practice suit, which is one of the largest cases ever brought by the Commission (involving sex discrimination in 27,000 employment decisions, at facilities in five states, over a ten year period). The court of appeals held that the district had erred in admitting and relying on evidence of the employer's affirmative action efforts without giving the Commission the opportunity to review self-critical aspects of the company's equal opportunity programs. The appellate court also held that the district court had erred in rejecting the Commission's evidence showing significant statistical disparities in the assignment of men and women to higher paying jobs without requiring the defendant to submit proof that when the alleged flaws in the Commission's evidence (including the failure to analyze differences in job interest) were accounted for, the statistical disparities were eliminated.

o EEOC v. Mississippi State Tax Commission, - The court of appeals, sitting en banc, vacated a district court decision holding that the defendant's policy requiring scales enforcement officers to retire at the age of 60 was a bona fide occupational qualification under the ADEA. The court agreed with the Commission that the district court erred by basing its BFOQ finding on a ideal image of a scales officer rather than on "the operation Mississippi actually has in place."

o EEOC v. Sears, Roebuck & Co., - The court of appeals reversed the district court's partial denial of enforcement of an EEOC subpoena issued in the course of the Commission's investigation of charges filed by three undocumented Hispanic aliens, who alleged that Sears would not employ them because of their national origin. The appellate court held that the Commission was entitled to review all applications at Sears' warehouses in the area to determine whether the company's policy of requiring written documentation from aliens had been applied more stringently to Hispanics or had a disparate impact on them.

o EEOC v. Hacienda Hotel, - The court of appeals upheld the district court's finding that the defendant unlawfully terminated female employees because of their pregnancy and failed to attempt to accommodate the religious practices of two employees. The appellate court also held that the defendant was liable for sexual harassment by its supervisory employees of which it had knowledge although the victims had not pursued internal remedies which would have required resort to the supervisor accused of the harassment.

o Rendon v. AT & T Technologies, - The court of appeals affirmed the district court's holding that AT & T discriminated against black and Mexican-Amercian telephone installers with regard to their opportunities for promotions in this large class action, in which the Commission participated as amicus curiae.

o Nicholson v. CPC International, Inc., - The court of appeals affirmed the district court's denial of defendant's motion to compel arbitration of plaintiff's age discrimination claim pursuant to an employment agreement requiring arbitration as the exclusive means of resolving employment disputes. The court held that the right to a judicial forum under the ADEA may not be displaced by a prospective agreement in an employment contract.

o Waltman v. International Paper Co., - The court of appeals, agreeing with the arguments advanced in the Commission's amicus brief, reversed the district court's entry of summary judgment for the defendant on the plaintiff's claims of sexual harassment. The court held that the evidence in the record, including evidence of repeated incidents of verbal and physical harassment and widespread incidence of graffiti of a sexual nature, was sufficient to create a genuine issue as to the existence of a hostile work environment at the defendant's plant. The court also held that there was a conflict in the evidence on the issues of defendant's knowledge of the harassment and the reasonableness of defendant's response to plaintiff's complaints.

o Brooms v. Regal Tube Co., - The court of appeals affirmed a finding of constructive discharge because of sexual harassment. Agreeing with the position of the Commission in its amicus brief, the appellate court also held that the employer was liable because it knew of the harassment, but failed to take appropriate action.

o Green v. Los Angeles County Superintendent of Schools, - Agreeing with the position of the Commission in its amicus brief, the court of appeals held that a state agency's waiver, in a worksharing agreement with EEOC, of initial processing rights over certain categories of charges allows such a charge to be immediately filled with EEOC.

OFFICE OF REVIEW AND APPEALS

The Office of Review and Appeals (ORA) administers the Commission's appellate responsibilities pursuant to Title VII, as amended, ADEA, the Vocational Rehabilitation Act of 1973, as amended, and the Civil Service Reform Act of 1978. This office has the responsibility for deciding and recommending decisions to the Commission on appeals from agency decisions on equal employment opportunity complaints. It is also responsible for monitoring and ensuring compliance by Federal agencies with all Commission orders and appellate decisions. It provides technical information and assistance to agency heads and senior management officials of other Federal agencies as well as to appellants and appellant legal representatives on the review and appeal process.

ORA also decides or makes recommendations to the Commission on petitions for review of Merit Systems Protection Board decisions involving equal employment opportunity issues in appeals filed by Federal employees, as well as petitions for review of decisions issued under a negotiated grievance procedure which involves equal employment opportunity issues. The office also makes recommendations to the Commission on requests to reconsider cases in which the Commission has issued a previous decision.

ORA is divided into four divisions. The two Appeals Divisions are comprised of four branches. Each branch contains a general attorney who is responsible for reviewing appeals of final agency decisions. Appeals constitute 80 to 85 percent of the office's intake, or about 3,500 to 4,000 cases per year. The Review Division is comprised of three branches of general attorneys. One branch is responsible for petitions to review the Merit Systems Protection Board decisions and petitions to review grievance decisions. The second branch is responsible for reviewing requests to reopen previous Commission decisions. These cases make up the remaining 15 to 20 percent of the intake, or about 900 to 1,200 cases per year. The third branch is comprised of general attorneys who review appeal cases raising precedential issues which must go before the full Commission. The Compliance and Control Division is comprised of two branches. One branch is responsible for the intake of all appeals, petitions, and other related documents and correspondence and for insuring compliance with Commission orders and appellate decisions; the other branch is responsible for conducting legal research and preparing summary analyses of key ORA decisions and decisions issued by the courts or other Federal agencies which have an impact on EEO matters. This branch is also responsible for conducting a statistical analysis of ORA operations and of any relevant trends or patterns in case processing.

Additionally, ORA provides technical guidance and assistance to the Federal sector through multi-agency consultations. As a part of the Commission's overall "outreach" program, this office, in coordination with Federal Executive Boards in major cities throughout the country, conducts training and technical advisory programs open to all agencies in the area. These programs outline the office's responsibility, discuss the Commission's position on issues relevant to Federal case processing, and identify recurrent processing errors and problems within the Federal process as well as solutions and alternatives. The office is also responsible for coordinating the national Federal Dispute Resolution (FDR) Conference co-hosted by EEOC, the Federal Labor Relations Authority, the Merit Systems Protection Board, the Office of Special Counsel, the National Labor Relations Board, and the Office of Personnel Management. As a part of that conference, ORA publishes a handbook entitled "Guide to Rights and Responsibilities in Resolving Disputes Between Employees and Managers in the Federal Government." This handbook includes the regulations and the complaint processing procedures of the FDR agencies. ORA also published a "Guide to Alternative Dispute Resolution in the Federal Government." This publication is an overview of various innovative dispute resolution programs currently in use by Federal agencies. The programs are designed to enhance, not replace, the current regulatory and statutory procedures.

BUDGET ACTIVITY III - STATE AND LOCAL PROGRAM
SUMMARY
(Dollars in Thousands)

Program Description

Section 706 of Title VII provides for a partnership between EEOC and State and Local Fair Employment Practices (FEP) Agencies. By regulation, FEP Agencies which meet certain criteria are designated as "706 Agencies." These 706 Agencies receive funding from their State and local governments; however, most (75-80 percent) of the agencies also meet the eligibility criteria to receive additional funding from EEOC.

EEOC's funding for each FEP Agency is based on a careful analysis of the agency's production under the prior year's contract, evaluation of future performance capability, and a projection of the agency's work load during the funding period. The per-charge base rates recommended to the Commission annually as part of the funding principles are determined by the anticipated amount of the State and local congressional appropriation and the number of charge resolutions the 706 Agencies are expected to produce.

The funding principles establish eligibility criteria for 706 Agencies to receive funding for Title VII [illegible] ADEA charges. These funding principles include the contract categories or types of performance for which EEOC will contract with [illegible]es; charge processing standards; and the requirement that where EEOC or an FEP Agency has been designated to initially process the charge, the other shall refrain from processing pending completion by the designated processor so that duplication is minimized.

SUMMARY OF PROGRAM REQUEST

1990 Estimate		1991 Estimate		Inc(+) or Dec(-)	
FTE	Amount	FTE	Amount	FTE	Amount
...	20,000	...	20,000	...	...

STATE AND LOCAL CHARGE PROCESSING

WORKLOAD	FY 1989 Actual	FY 1990 Estimate	FY 1991 Estimate
CHARGES/COMPLAINTS PENDING	57,835	63,867	69,899
TOTAL RECEIPTS TO PROCESS	52,454	52,454	52,454
TOTAL WORKLOAD	110,289	116,321	122,353
CHARGES/COMPLAINTS CLOSED	46,422	46,422	46,422
CHARGES/COMPLAINTS FORWARDED	63,867	69,899	75,931

Mr. **Smith**. The committee welcomes for the first time, the Honorable Evan J. Kemp, Jr., the Chairman or the nominee for Chairman—have you been confirmed?

Mr. **Kemp**. No, I do not have to be confirmed. I guess I am Chairman-Designate.

Mr. **Smith**. That is subject to Mr. Thomas leaving or not?

Mr. **Kemp**. Yes.

Mr. **Smith**. Evan J. Kemp, Jr., and he will testify on behalf of the Commission. We will insert a copy of your biographical sketch into the record at this point.

[The biography of Mr. Kemp and related information follow:]

U.S. Equal Employment Opportunity Commission

NEWS

FOR IMMEDIATE RELEASE
Tuesday, March 13, 1990

CONTACT: Deborah J. Graham
Paul Wilkinson
(202) 663-4900
(202) 663-4399 (TDD)

EVAN J. KEMP JR. NAMED CHAIRMAN OF U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

President George Bush has designated Evan J. Kemp Jr., a member of the U.S. Equal Employment Opportunity Commission since 1987, to serve as chairman of the Commission.

Chairman Kemp, 52, executive director of the Disability Rights Center from 1980 to 1987, succeeds Clarence Thomas, who was confirmed by the Senate last week to a seat on the U.S. Court of Appeals for the District of Columbia.

"My priorities are to continue to build on the EEOC's record as a law enforcement agency and to vigorously fight employment discrimination in promotion as well as hiring," Chairman Kemp said.

Chairman Kemp earned his undergraduate degree at Washington and Lee University in 1959 and law degree from the University of Virginia in 1964. He served in the Office of Chief Counsel of the Internal Revenue Service and at the Securities and Exchange Commission before becoming head of the Disability Rights Center, where he worked to promote independent living and lobby for legislative and regulatory protection for disabled people. He also led an investment group that built a small company into the largest U.S. wheelchair manufacturer, increasing annual sales from $19 million to $200 million in 10 years.

He was confirmed as an EEOC Commissioner by the Senate June 19, 1987 for a term expiring July 1, 1992. President Bush designated him chairman March 8.

EEOC enforces Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on race, color, religion, sex, or national origin. The Commission also enforces the Age Discrimination in Employment Act, the Equal Pay Act and federal sector prohibitions against discrimination affecting individuals with handicaps.

# # #

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
2401 E STREET, NW • WASHINGTON, DC 20507

EVAN J. KEMP, JR.

COMMISSIONER

Evan J. Kemp, Jr. came to the U.S. Equal Employment Opportunity Commission as one of the nation's leading advocates for physically and mentally disabled people. He was nominated to EEOC by President Reagan on March 10, 1987, and unanimously confirmed by the Senate on June 19, 1987, for a term expiring July 1, 1992.

Commissioner Kemp earned his bachelor of arts degree from Washington and Lee University in 1959 and his law degree from the University of Virginia in 1964. Because he was near the top of his graduating class, he was interviewed by 39 of the top law firms in the country. With blunt candor, 39 firms told him that they would not hire him because he was handicapped. He finally secured a job with the Office of Chief Counsel, Internal Revenue Service. In 1967 he joined the Securities and Exchange Commission and became an authority on equity funded insurance products.

In 1980, Commissioner Kemp was selected to head the Ralph Nader sponsored Disability Rights Center where he was a tireless spokesperson for independent living by disabled people and for an end to paternalism that too often keeps disabled people dependent. In 1982 he led the successful fight against proposed changes to regulations implementing Section 504 of the Rehabilitation Act of 1973. The respected *National Journal* called the two year campaign "one of the most effective and sophisticated lobbying efforts ever seen against an executive branch action." In his efforts to educate national policy makers to the importance of integration and self-determination for disabled people, Commissioner Kemp has worked to build coalitions with groups representing racial and ethnic minorities, women and older persons working toward similar goals.

Recognizing that manufacturers of products for disabled people, including wheelchair makers, often ignored the actual needs of disabled users, Commissioner Kemp spearheaded a group of investors who purchased a small wheelchair company with sales of $19 million. Seven years later the firm became the largest wheelchair company in the United States with sales of $130 million. The Commissioner attributes the company's success to its involvement of wheelchair users in the design and marketing of the company's products.

For the last seven years Commissioner Kemp has taught a course in "Disability and the Law" at Catholic University Law School in Washington, D.C. He has written numerous articles and spoken extensively about the issues that concern disabled people.

Mr. **Smith**. Do you have a statement?

Mr. **Kemp**. Yes, I do.

Mr. Chairman and members of the subcommittee, I am pleased to have this opportunity to testify before you for the first time on behalf of the Equal Employment Opportunity Commission. I look forward to working with you on appropriations for civil rights law enforcement.

As you know, EEOC enforces Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Equal Pay Act and section 501 of the Rehabilitation Act of 1973.

With passage of the Americans with Disabilities Act likely in the near future, EEOC will soon be responsible for developing regulations, providing technical assistance to the public and—probably beginning in 1992—for enforcing laws prohibiting discrimination against disabled individuals in the private sector.

The fiscal year 1991 budget request for EEOC is $195.8 million.

I am fortunate to follow the almost eight-year leadership of Clarence Thomas as Chairman of EEOC. During his tenure, Mr. Thomas implemented management initiatives that improved EEOC's financial accountability and maximized the cost-effectiveness of our programs.

Mr. Thomas automated an agency that had virtually no computers when he arrived—without a single cent of additional appropriations for that purpose. He professionalized the agency by converting employment opportunity specialist positions to investigators, by implementing the first-ever comprehensive investigator training and by instituting an agency-wide commitment to quality public service.

To fulfill its potential as a law enforcement agency, the Commission during Mr. Thomas' tenure implemented policies to ensure uniform, vigorous enforcement of the laws and full relief for victims of employment discrimination.

Largely as a result of these policies, EEOC netted approximately $1,000,000,000 for discrimination victims through settlements, conciliations and litigation from fiscal years 1982 through 1989. During that period, EEOC filed 3,364 legal actions in U.S. District Courts throughout the country.

At the same time, EEOC significantly improved Federal agency compliance with affirmative employment directives, provided leadership in Federal affirmative employment programs for handicapped individuals and streamlined the Federal equal employment opportunity appeals process.

Since 1982, EEOC has issued decisions on 34,115 Federal sector EEO appeals and, since we began keeping track in 1985, has recovered $10,200,000 on behalf of discrimination victims in the Federal workforce.

In June of 1988, EEOC was designated a management improvement prototype by the President's Council for Management Improvement and the Office of Management and Budget. EEOC received OMB's Productivity Improvement Award as recognition for our success in improving quality and increasing productivity. As a Commissioner since mid-1987, I am pleased to have taken part in the modernization and further improvement of EEOC. And I am fortunate to be able to build upon the firm foundation laid during Clarence Thomas' leadership.

In 1977, I was asked to interview for a job at EEOC and I was told that 65 percent of my time would be spent defending EEOC against charges filed by their employees and 20 percent of my time would be devoted to Freedom of Information Act cases, and only 15 percent of the time practicing law. I was really quite shocked, but in talking to people I found that, in the late seventies EEOC did not have a good reputation. That has really changed. I think we are one of the best-run agencies in the Federal Government right now.

But I must advise you that we have implemented virtually every efficiency possible. The taxpayers are getting their money's worth out of EEOC. Our portion of government expenditures for civil rights is well-managed and thriftily spent. If you compare our record with other civil rights offices in various departments throughout the government, we have an extraordinary record of spending our money wisely. We have done more with less for about as long as possible, without harming our enforcement program. We must have the funds requested by the President so that EEOC can continue enforcing the laws against employment discrimination without diminishing our effectiveness.

The budget we have requested for fiscal year 1991 will support a full-time equivalent staff of 3,050. Although this is only a small increase over the FY 1990 level of 3,000, this increase is extremely important for an agency that depends heavily on labor.

We had to reduce our staff from planned levels in fiscal years 1988 and 1989 to absorb the Federal pay raises and lower appropriations than requested. We also must absorb the 3.6 percent raise in FY 1990. I cannot emphasize enough that the number of discrimination cases the agency can investigate, conciliate and litigate is dependent upon the number of investigators, lawyers and enforcement support personnel in the agency's workforce.

More than 75 percent of EEOC's budget is for personnel compensation and related costs.

The 1988 and 1989 pay raises forced reductions in such critical areas as staff training. In the budget before you, we are requesting $1,200,000 for training in fiscal year 1991. Training is not a luxury at EEOC—it is essential to ensure that our employees gain and maintain the skills to uniformly and thoroughly enforce the laws.

In addition to requesting a $5,800,000 increase in compensation and benefits to support the staff level of 3,050, we are also requesting $1,000,000 to support our litigation activities and $2,900,000 to cover increased operating costs.

Also included in the fiscal year 1991 budget request is $20,000,000 to contract with State and local fair employment practices agencies to investigate discrimination charges.

Although EEOC's automation is light years ahead of where it was in 1982, we still have work to do. A current priority is to fully implement the Automated Charge Receipt Program during fiscal year 1991. This program computerizes charges from the time they are received, eliminating time-consuming and repetitive clerical tasks. No increase of funding was requested for this priority.

There has been a continuing increase in the proportion of ADEA charges among total charges filed each year. From fiscal year 1980 to fiscal year 1989, the percentage of ADEA charges rose from 19 to 26 percent of total charges received by EEOC. With the number of older workers increasing, it is likely that we will see a further increase in the number of ADEA charges. This increase is significant because, unlike Title VII, ADEA lawsuits must be filed within specific statutory time limits.

Gentlemen, we seek your support for the President's request for EEOC. He has asked for $10,900,000 and 50 FTE staff more than we received in fiscal year 1990. With this funding, we can continue to enforce the nation's employment discrimination laws as they should be enforced.

I will be glad to answer any questions you may have.

[The statement of Mr. Kemp follows:]

STATEMENT BY EVAN J. KEMP, CHAIRMAN-DESIGNEE
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
BEFORE THE SUBCOMMITTEE ON COMMERCE, JUSTICE, STATE AND JUDICIARY
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
FEBRUARY 21, 1990

Mr. Chairman and members of the subcommittee, I am pleased to have this opportunity to testify before you for the first time on behalf of the Equal Employment Opportunity Commission. I look forward to working with you on appropriations for civil rights law enforcement.

As you know, EEOC enforces Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Equal Pay Act and Section 501 of the Rehabilitation Act of 1973. With passage of the Americans with Disabilities Act likely in the near future, EEOC soon will be responsible for developing regulations, providing technical assistance to the public and -- probably beginning in 1992 -- for enforcing laws prohibiting discrimination against disabled individuals in the private sector.

The fiscal year 1991 budget request for EEOC is $195.8 million.

I am fortunate to follow the almost eight-year leadership of Clarence Thomas as chairman of EEOC. During his tenure, Mr. Thomas implemented management initiatives that improved EEOC's financial accountability and maximized the cost-effectiveness of our programs.

Mr. Thomas automated an agency that had virtually no computers when he arrived -- without a single cent of additional appropriations for that purpose. He professionalized the agency by converting employment opportunity specialist positions to investigators, by implementing the first-ever comprehensive investigator training and by instituting an agencywide commitment to quality public service.

To fulfill its potential as a law enforcement agency, the Commission during Mr. Thomas' tenure implemented policies to ensure uniform, vigorous enforcement of the laws and full relief for victims of employment discrimination. Largely as a result of these policies, EEOC netted more than $992 million for discrimination victims through settlements, conciliations and litigation from fiscal years 1982 through 1989. During that period, EEOC filed 3,364 legal actions in U.S. District Courts throughout the country. At the same time, EEOC significantly improved federal agency compliance with affirmative employment directives, provided leadership in federal affirmative employment programs for handicapped individuals and streamlined the federal equal employment opportunity appeals process. Since 1982, EEOC has issued decisions on 34,115 federal sector EEO appeals and, since we began keeping track in 1985, has recovered $10.2 million on behalf of discrimination victims in the federal workforce.

In June of 1988, EEOC was designated a management improvement prototype by the President's Council for Management Improvement and the Office of Management and Budget. EEOC received OMB's Productivity Improvement Award as recognition for our success in improving quality and increasing productivity. As a Commissioner since mid-1987, I am pleased to have taken part in the modernization and further improvement of EEOC. And I am fortunate to be able to build upon the firm foundation laid during Clarence Thomas' leadership.

But I must advise you that we have implemented virtually every efficiency possible. The taxpayers are getting their money's worth out of EEOC. Our portion of government expenditures for civil rights is well managed and thriftily spent. We have done more with less for about as long as possible without harming our enforcement program. We must have the funds requested by the President so that EEOC can continue enforcing the laws against employment discrimination without diminishing our effectiveness.

The budget we have requested for fiscal year 1991 will support a full-time equivalent staff of 3,050. Although this is only a small increase over the FY 1990 level of 3,000, this increase is extremely important for an agency that depends heavily on labor.

We had to reduce our staff from planned levels in fiscal years 1988 and 1989 to absorb the federal pay raises and lower appropriations than requested. We also must absorb the 3.6 percent raise in FY 1990. I can't emphasize enough that the number of discrimination cases the agency can investigate, conciliate and litigate is dependent upon the number of investigators, lawyers and enforcement support personnel in the agency's workforce.

More than 75 percent of EEOC's budget is for personnel compensation and related costs.

The 1988 and 1989 pay raises forced reductions in such critical areas as staff training. In the budget before you, we are requesting $1.2 million for training in FY 1991. Training is not a luxury at EEOC -- it is essential to ensure that our employees gain and maintain the skills to uniformly and thoroughly enforce the laws.

In addition to requesting a $5.8 million increase in compensation and benefits to support the staff level of 3,050, we are also requesting $1 million to support our litigation activities and $2.9 million to cover increased operating costs.

Also included in the FY 1991 budget request is $20 million to contract with state and local fair employment practices agencies to investigate discrimination charges for EEOC.

Although EEOC's automation is light years ahead of where it was in 1982, we still have work to do. A current priority is to fully implement the Automated Charge Receipt Program during FY 1991. This program computerizes charges from the time they are received, eliminating time-consuming and repetitive clerical tasks. No increase of funding was requested for this priority. There has been a continuing increase in the proportion of ADEA charges among total charges filed each year. From FY 1980 to FY 1989, the percentage of ADEA charges rose from 19 to 26 percent of total charges received by EEOC. With the number of older workers increasing, it is likely that we will see a further increase in the number of ADEA charges. This increase is significant because, unlike Title VII, ADEA lawsuits must be filed within specific statutory time limits.

Gentlemen, we seek your support for the President's request for EEOC. He has asked for $10.9 million and 50 FTE staff more than we received in fiscal year 1990. With this funding, we can continue to enforce the nation's employment discrimination laws as they should be enforced.

I will be glad to answer any questions you may have.

Mr. **Smith**. Now, for fiscal 1990, you received an appropriation of $184,926,000. How much was sequestered?

Mr. **Kemp**. None.

Mr. **Smith**. None was sequestered?

Mr. **Kemp**. None.

FY 1991 BUDGET REQUEST

Mr. **Smith**. So, you said you are asking for an increase of $10,900,000 over that?

Mr. **Kemp**. We asked for over $188,000,000 last year.

REQUEST TO OMB

Mr. **Smith**. How much did you ask OMB for, in 1991?

Mr. **Kemp**. For 1991, we asked for $210,442,000.

RECORD-BREAKING ENFORCEMENT

Mr. **Smith**. Now, you resolved a record number of lawsuits last year and decreased the backlog, with very little increase in money. How do you explain that?

Mr. **Kemp**. Well, I think it was the automation that did it. It really made our agency a very, very efficient agency. The change between the late seventies when I was interviewed for a job and today is just extraordinary, and I honestly believe that we are one of the best-run agencies in the Federal Government.

AUTOMATION

Mr. **Smith**. Well, if automation did that much, why do you need another $10,000,000 for next year?

Mr. **Kemp**. Well, I think that one of the problems that we did have during the 1980's that always hurt us is that we were jumping between 2,800 employees and 3,200. I think that of the 50 employees we are asking for next year, basically 46 will go to the field and 4 will go to processing cases within the agency. I think what we are really doing is catching up to the eighties. For the past several years, except one, the Administration requested more money than was appropriated.

CASE QUALITY

Mr. **Smith**. With automation and the increased number of cases settled, has quality been affected?

Mr. **Kemp**. I think this is always a problem at EEOC. You know, we started off on July 2, 1965 with 5,000 complaints. We have always had what we call an inventory. Sometimes it has gotten quite large and we get pressure from Congress. I think at those times we might not enforce the law as well as we should. If we can get down to a six-month inventory with this appropriation next year, I think our quality will not slip at all.

CASE PROCESSING

Mr. **Smith**. Of course, delay in and of itself can be harmful.

Mr. **Kemp**. Oh, yes, especially in this area. I think I am probably the only Commissioner or Chairman to have used the Federal EEO complaint process. I did sue the Federal Government for discrimination and won. They were 17 of the longest months I ever spent and I think we should try to settle these cases as quickly as possible. It is to everybody's advantage, especially the charging parties.

FUTURE ENFORCEMENT CHANGES

Mr. SMITH. Well, you indicated that we have had all these miracle changes. Do you foresee any more changes and, if so, what are they?

Mr. KEMP. Well, I think that we have to be prepared for the American with Disabilities Act, which I think will probably pass in the next couple of months, and with that we do have regulations, technical assistance and other things that must be done. It takes effect in two years for employers with 25 or more employees, and two years later it will cover 15 or more employees, just like——

FUTURE INITIATIVES, PLANS AND FUNDING NEEDS

Mr. SMITH. Is that the only new initiative you see being passed?

Mr. KEMP. No. As a matter of fact, if you are asking me what I would like to do as Chairman, I think that we at EEOC have an extraordinary record of getting people into entry-level jobs. I think where we are having real problems now is going through the glass ceiling. In the year 2000, it is estimated that white males will be just 15 percent of the workforce, and that women, minorities and others will make up 85 percent of the workforce. I think we have got to start doing things to break through that glass ceiling. I think that we have to have better EEO–1 forms to get information to see how people are doing. I think we have to start taking some upward mobility cases. I think they will be hard cases to win, but I think we will send the message to the EEO community.

Mr. ELKINS. Mr. chairman, if I may, one of the reasons why we need more money this year as opposed to last year is that there were a lot of things that were deferred last year because we just ran out of money. There were cases that we could have litigated last year, that we delayed litigating until this year. We had no training last year for our employees. We delayed and deferred a number of things that we really must now do and we cannot continue to hire employees and maintain the level of quality investigations without a continuing training program.

We put into place a number of checks and balances which helped insure that we maintained high quality, but those cost money and, again, as I say, we have delayed and deferred a number of things that we hope to be able to accomplish this year.

Mr. KEMP. Mr. Smith and Mr. Dwyer, this is Ed Elkins, EEOC's Management Director.

Mr. SMITH. Mr. Dwyer?

UNDER-REPRESENTATION IN THE FEDERAL GOVERNMENT

Mr. DWYER. Thank you, Mr. Chairman. I was reading the Post the other day and they quote you here. They mention under-representation of matters in Federal court. Do you have any plans to increase that?

Mr. **Kemp**. Well, I think there is an under-representation and I think we have to start talking to the Federal government, to the top people about trying to track and keep good programs in the Federal government. I always thought that you people could help us with your appropriations process; when the State Department and other departments come here, start asking about their Federal EEO programs and how well they are doing with them. I think this has always been——

Mr. **Dwyer**. They are apt to come back and ask for more money. [Laughter.]

Mr. **Kemp**. Right now they are getting an awful lot of money and some people say that they are not doing a terrific job. I think they might be more responsive to you than they are to us.

ADDITIONAL STAFFING REQUIREMENTS

Mr. **Dwyer**. You are asking for an additional 50 positions to go out in the field. What part of the country will they go to? Do you have any idea?

Mr. **Kemp**. I think they will go where we have problems right now.

Mr. **Dwyer**. Sure, but what specific areas?

Mr. **Elkins**. It really would depend. When we get the positions, we will take a look at our staffing. Where there has been greater attrition or where there has been an increase in charges, we would match the resources with the workload.

Mr. **Dwyer**. I thought you might have done all of that when you arrived at the number of 50.

Mr. **Elkins**. It is a constantly changing scenario.

Mr. **Dwyer**. Can you give us any idea what field offices they might go into?

Mr. **Troy**. My name is James Troy and I am Director of the Office of Program Operations. We do know where our workload is and if we add the 50 people right now, we would probably split them between Los Angeles, California, Dallas, Texas, Detroit, Michigan, and probably three or four more offices.

Mr. **Dwyer**. Suppose you only get 25?

Mr. **Troy**. The same places, but half the number of people. [Laughter.]

AGE DISCRIMINATION IN EMPLOYMENT ACT CASES

Mr. **Dwyer**. The number of cases related to age, are they on the increase?

Mr. **Kemp**. Yes, they are and I think they probably will continue to be on the increase. I think one of the first beneficiaries of the Americans with Disabilities Act will be older Americans and I think a lot of them that we talked about——

Mr. **Dwyer**. A lot of them in my district are on the increase.

Mr. **Kemp**. Older workers?

Mr. **Dwyer**. Yes.

Mr. **Kemp**. I have been involved with disability rights for a number of years and I remember Bob Butler, who wrote a Pulitzer Prize winning book, "Aging in America." About 15 or 20 years ago we made a bet that if I could think of a disability issue which only affected the disabled, I would get $5 from him, and if he could think of an elderly issue only affecting the elderly and not the disabled, I had to give him $5. In twenty years, neither has been able to collect the other.

So, the issues are quite similar and I think the accommodations that are talked about in the ADA will benefit older workers first in our workforce. The studies have shown with every passing year that people are retiring earlier and I think there is a good chance that the ADA will reverse that and a lot of people will work longer.

Mr. DWYER. Thank you.

Thank you, Mr. Chairman.

POLICE AND FIREFIGHTERS STUDY

Mr. SMITH. We funded a study of the validity of litmus tests for police and firefighters. What can you tell us about that?

Mr. ELKINS. It was never fully funded. We never received the amount of money that we requested to fund that study. We have had ongoing discussions with OMB—let me ask Dick Komer if he would care to elaborate on that—since he has been involved with that.

Mr. KOMER. I am Richard Komer, Legal Counsel with the Commission. Right now, we have a $1,000,000 appropriation for the police and firefighter study. We spent $100,000 of Department of Labor money, basically designing the study and obtaining the services of some experts. We have come up with a design that will hopefully allow us to do a sort of stripped-down version of the study for the $1,000,000. The RFP, the request for proposals, is presently in the Office of Management, and hopefully it will be in the Commerce Clearinghouse in the next month or so. Our estimate is that the study could cost from one to three million dollars.

Mr. SMITH. When will the study get under way?

Mr. KOMER. The study would hopefully get under way within about two months.

Mr. SMITH. When will it be completed?

Mr. KOMER. We anticipate at this stage that it would take approximately one year to do the study, so approximately 14 months from now, although there is no guarantee that we will get any responsible bidders for conducting the study. Assuming we do, I think 14 months from now is a reasonable estimate.

Mr. SMITH. You did not ask for any additional funds for 1991, so does that mean that you expect it completed with the $1,000,000?

Mr. KOMER. Exactly. We will do what we can with what we have been given and we will still miss the deadline by probably six months. The deadline for conducting that study was October 1990.

Mr. SMITH. Well, you will not have anything of value, then, until it is completed, or will there be interim reports or——

Mr. KOMER. I am not positive about the answer to that, sir, but I believe that we probably will not have anything particularly worthwhile by October.

TRAINING NEEDS

Mr. **Smith**. You mentioned two or three times about training and how important it is. You asked for a $1,200,000 increase for training and that shows up under the travel classification. Why is that?

Mr. **Kemp**. Well, travel is one of the expenses that we have, as we bring people from all our offices around the country to a central location for training.

Mr. **Smith**. What about taking materials to other places? Is that $1,200,000 only for travel, or are there other funds included for the training?

Mr. **Kemp**. No, I think it is all included within that $1,200,000.

Mr. **Troy**. We do the training ourselves. We develop our own training modules, our own training videos and most of the materials, in our own offices. The largest amount of money by far is bringing the people to the location for the training to be held.

Mr. **Smith**. So, the $1,200,000 is really for travel, then, you are going to absorb at other places in the agency the cost of materials and things like that?

Mr. **Troy**. Those costs will be primarily included in the $1,200,000.

Mr. **Smith**. We have no further questions. Thank you for appearing before us today.

[The following questions were submitted to be answered for the record.]

QUESTIONS FOR THE RECORD SUBMITTED BY CHAIRMAN SMITH

FY 1989 Accomplishment

1. In fiscal year 1989, the EEOC was able to resolve a record number of lawsuits as well as decrease the backlog of pending cases by almost 8,000 cases. This was accomplished in spite of reductions to the Commission's budget that effectively reduced your staffing by 198 positions. Could you explain how the Commission accomplished this impressive record? What sort of productivity improvements were implemented?

In FY 1989 EEOC realized the maximum benefit of the management improvements the agency has implemented in the past few years. Through the ongoing automation of the agency, comprehensive investigator training held in 1987 and the institution of an agency-wide commitment to quality public service, EEOC has increased productivity and further reduced its inventory. However, EEOC has implemented virtually every efficiency possible. We have done more with less for about as long as possible without harming our enforcement program. We must have the funds requested by the President so that EEOC can continue enforcing the laws against employment discrimination without diminishing our effectiveness.

2. We have heard reports that one reason you have been able to process so many cases is that the Commission is not performing in-depth reviews of the cases in many instances. Would you care to comment?

The reports that you have heard are totally untrue. The reason that the commission has been able to make considerable progress toward the maintenance of a manageable inventory are: a) our institution of a uniform case management system throughout our field offices, b) training of our entire workforce in better investigative techniques, and c) managerial oversight and accountability in case management.

More than ever before, EEOC staff has acclimated to law enforcement approaches rather than those associated with claims adjustment. It is because of this approach that EEOC needs budget enhancement to continue.

3. Your fiscal year 1990 budget reflects even further resource cuts over 1989. How will that impact your ability to continue this pace of workload in the current fiscal year?

Although our FY 1990 appropriation provided for $4.2 million more than we received in FY 1989, the FY 1990 resource reductions from the amount requested by the president will have a measurable negative impact on our ability to maintain the nine-month inventory that we currently have and will not end EEOC's need to move large numbers of cases ahead of others because of differences in the statutes.

EEOC Focus Under New Chairman

1. Mr. Kemp, as the Chairman-designee, what changes do you foresee in the future direction of the Commission?

Chairman Kemp's priorities in 1990 and 1991 include:

I. Build on the reputation of EEOC as a professional law enforcement agency by continuing to improve the effectiveness, efficiency, and quality of our case handling.

A. Ensure that adequate resources are available to provide training to management and enforcement staff, including investigators in the field.

B. Increase funding to attain the stable staffing level necessary for greatest effectiveness.

C. Increase and upgrade the utilization of computers and telecommunications in the agency.

D. With increased funding and staffing requested in the FY 1991 budget, and improved computer capability, devote a greater share of commission resources to bringing major discriminators to justice.

E. Promote alternative dispute resolution (1) in the federal government and (2) in the private work place.

F. Plan for the implementation of the "Americans with Disabilities Act."

G. Handle all categories of charges quickly and thoroughly.

II. Ensure EEOC is a model employer of all Americans without regard to race, color, sex, national origin, religion, age or disability.

A. Develop and promote a training strategy for all employees.

B. Encourage opportunities for advancement and internal promotion within the agency.

C. Utilize the diversity of persons and cultures within the agency to promote EEOC's goals and mission.

III. Work with all groups with an interest in civil rights enforcement.

A. Insist on the need for even-handed enforcement of all the laws under the agency's jurisdiction.

B. Stress EEOC's role as an enforcement agency, not an advocate for special interests.

2. Does this 1991 budget request reflect any new initiatives you may be proposing for the Commission?

The 1991 budget request reflects an increase of $1.2 million for training. These funds are essential to ensure that employees gain and maintain the skills to uniformly and thoroughly enforce the laws. In 1988 and 1989, the agency was forced to forego the kind of staff training we are proposing for FY 1991.

3. I understand that your ascension to Chairman is subject to Mr. Thomas's departure. Have you already been confirmed as Chairman, or is a Senate confirmation even necessary since you are already serving as a Commissioner?

Under Title VII of the Civil Rights Act of 1964, the president is given the authority to designate one commissioner as chairman and one as vice chairman. This designation does not require Senate approval. Clarence Thomas' nomination to serve on the D.C. Court of Appeals was approved by the Senate on March 6, 1990. Evan J. Kemp, Jr. was named chairman by President Bush on March 8, 1990.

FY 1991 Request

1. Your fiscal year 1991 request includes funding for an additional 50 workyears for the Commission. Will this amount bring you back up to your 1989 staffing level.

In FY 1989, EEOC used 2,970 FTE. The budget will provide for 80 more FTE in FY 1991.

2. Will the increase be used for additional investigators and attorneys for litigation activities, or will some positions be set aside for administrative and support activities?

The increased FTE will allow for an increase in EEOC's enforcement staff which will in turn allow us to reach our goal of six months or less of pending workload in each office by the end of FY 1991.

3. Does this increase reflect increasing responsibilities of the Commission under new legislation, or are these workyears basically for ongoing EEOC programs?

The increase in FTE does not reflect increasing responsibilities of the Commission under new legislation but will allow us to reduce pending workload for ongoing EEOC programs.

4. If the Committee is unable to fund the proposed increase for fiscal year 1991 due to fiscal constraints, how will your backlog of cases be impacted?

Should the Committee be unable to fund the proposed increase, we should be able to maintain the current nine-month inventory **barring any increase in our receipts to process.** Our plans, however, are predicated on receiving the additional staff which, by our calculations, would allow the EEOC to reach a manageable 5.6 months of inventory. Our success in this regard will also be impacted by our ability to train new staff in such time that they are fully productive during FY 1991.

5. What was the Commission's original budget request to OMB?

The original budget request to OMB was $210,442,000, which included $28 million for state and local contracts.

Resource Requirements for Pending Legislation

1. Has the Commission made any estimate of resource requirements under the pending Americans with Disabilities Act? Have you sent a proposal for a budget supplemental or budget amendment to OMB?

EEOC has made some preliminary cost estimates for enforcing the "Americans with Disabilities Act." However, since the legislation is still being actively considered in the House, we do not yet know what our full responsibilities or our resource requirements will be under the new law. EEOC has not submitted any proposals for budget supplementals or budget amendments to OMB concerning this legislative proposal.

2. Are there any other legislative bills pending which may impact EEOC's workload in fiscal years 1990 or 1991?

Yes. The following bills would, in varying degrees, affect EEOC's programs and resources.

- S.2104/H.R.4000, the "Civil Rights Act of 1990"
- S.1511, a bill to amend the Age Discrimination in Employment Act regarding benefits and the use of ADEA waivers
- H.R. 1012, the "Federal Employee Discrimination Procedures Act of 1989"
- S.2166/H.R.4081, the "Civil Rights Protections Act of 1990"
- H.R. 2235, the "Workforce 2000" bill
- H.R. 3200, the "Older Workers' Benefit Protection Act"
- S. 1293, the "Age Discrimination in Employment Act Amendments of 1989"
- H.R. 1432, the "ADEA Waiver Protection Act."

Training

1. Of your requested increase in fiscal year 1991, $1.2 million is to cover additional training for your field staff. Will the training be conducted in-house, or do you plan to use outside consultants?

We have planned for a number of possible training approaches that would **all be conducted in-house.** Clerical, administrative and professional staff in the field and headquarters require technical computer training; supervisors and investigators require ongoing procedural training in the areas of case management and case development; enforcement and legal staff require ongoing substantive training in dynamic legal areas; headquarters and field enforcement staff require training in priority areas that include Federal Sector Programs, systemic enforcement, and state and local oversight matters.

2. The $1.2 million increase shows up only under the travel object classification. What other costs are associated with training -- printing of training materials, etc.? Please provide for the record the total amount required for the training including what is covered in your base, as well as a complete breakdown of all costs associated with the training by object classification.

Following are costs for training sorted by object classification:

OC 21	-	Travel	$1,137,040
OC 23	-	Rent/Communications	20,160
OC 24	-	Printing	19,500
OC 25	-	Other Services	6,000
OC 26	-	Supplies	14,500

3. When was the last time you conducted this type of training for your field staff? How will this proposed session differ from the last?

The most successful and comprehensive training program in the agency's history was the investigative training provided to all investigators and new attorneys in Dallas, Texas in 1987. The training provided hands-on skills training and covered all areas of conducting an investigation, from the preliminary interview with the charging party to resolution of the case. This type of comprehensive training is the most effective and efficient.

In 1988 and 1989, limited funding required us to focus our training much more narrowly. Thus, we chose a limited number of field sites and provided enforcement supervisors with case development training and some field offices with case management training. We intend to expand these two very successful programs and provide them to all investigators in our 50 field offices in FY 1991 if we receive the funding.

4. Do you anticipate this training program to be a recurring item in your budget? If so, will it be on an annual basis, or at less frequent intervals?

Although we are not now requesting funds for years beyond 1991, we anticipate the need for annual training to institute a permanent training program in the agency.

Study on Fitness Tests for Police and Firefighters

1. The Commission's fiscal year 1990 funding included $1 million for the statutorily mandated study of the validity of fitness tests for police and firefighters. What is the current status of the study, and when will it be completed?

A statement of work for the study has been prepared. On March 1, 1990, a request for proposals to conduct the study was issued. We anticipate evaluating the responses to that request in April and letting a contract in June, provided that projected costs in the proposal are satisfactory. Assuming no major obstacles, we anticipate completion of the study in July 1991.

2. In response to a question submitted for the record last year, the Commission indicated that the $1,000,000 would not be sufficient to perform the study, and that the total cost could be between $5 and $16 million. However, there are no funds requested in fiscal year 1991. Was the $1 million in fact sufficient, or will the study be completed with funds from another source?

We hope that the $1 million will be sufficient to complete the study. Estimates for the abbreviated study, which we currently propose to undertake, range from $1 million to $3 million. We will not know the exact cost until the contracting process is completed. We are not aware of other sources of funds for completion of the study.

THURSDAY, FEBRUARY 22, 1990.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

WITNESSES

STENY H. HOYER, CO-CHAIRMAN
SAMUEL G. WISE, STAFF DIRECTOR
GINA M. HARNER, BUDGET OFFICER

Mr. SMITH. This morning we first hear from the Commission on Security and Cooperation in Europe. The Commission's budget for fiscal year 1991 is $991,000, an increase of $152,000 over last year's fiscal 1990 appropriation level. At this point in the record we will insert the budget justifications submitted in support of this request.

[The budget justification materials follow:]

COMMISSION ON SECURITY &
COOPERATION IN EUROPE
FISCAL YEAR 1991
JUSTIFICATION OF ESTIMATES

COMMISSION ON SECURITY AND COOPERATION IN EUROPE
FISCAL YEAR 1991 BUDGET REQUEST

In accordance with Section 3 of Public Law 99-7 (March 27, 1985) there is authorized to be appropriated and remain available until expended each fiscal year such sums as may be necessary to enable the Commission to carry out its mandate.

For Fiscal Year 1991, the Commission requests an appropriation of $991,000. This figure represents the total estimated obligation. Therefore, an appropriation of $991,000 is required for Fiscal Year 1991 as outlined in the justification of estimates.

The Commission was created on June 3, 1976, pursuant to Public Law 94-304, approved by the 94th Congress. Under this legislation, the Commission is "authorized and directed to monitor the actions of the 35 signatory countries, including the United States, which reflect compliance with or violation of the articles of the Final Act of the Conference on Security and Cooperation in Europe (CSCE), with particular regard to the provisions relating to human rights and cooperation in humanitarian fields." The Commission is further authorized and directed to "monitor and encourage the development of programs and activities of the United States Government and private organizations with a view toward taking advantage of the provisions of the Final Act to expand East-West economic cooperation and greater interchanges of people and ideas between East and West."

The Commission is composed of 21 members, nine each from the U.S. Senate and House of Representatives, appointed respectively by the President of the Senate and the Speaker of the House, and one each from the Departments of State, Defense and Commerce, appointed by the President of the United States. At the beginning of each even-numbered Congress, the Speaker of the House shall designate one of the House members as Chairman and the President of the Senate, on the recommendation of the Majority Leader, shall designate one of the Senate members as Co-Chairman. At the beginning of each odd-numbered Congress, the President of the Senate, on the recommendation of the Majority Leader, shall designate one of the Senate members as Chairman, and the Speaker of the House shall designate one of the House members as Co-Chairman.

The Commission's Fiscal Year 1991 budget represents approximately a sixteen percent (16%) increase in estimated total obligations from Fiscal Year 1990. Of the increase in estimated total obligations for FY91 requested by the Commission, forty percent (40%) is required to maintain the current staff level and present programs.

The staff of the Commission currently consists of 15 full-time, permanent positions. The hiring, firing, and fixing of pay of new or additional staff of the Commission is done through the Commission's Personnel Administration Committee which consists of the Chairman, Co-Chairman, and the ranking minority members from the House and Senate. The Commission is authorized to appoint and fix the pay of such staff personnel as it deems appropriate. During the past year, the staff consisted of the Staff Director, appointed by the Chairman and Co-Chairman; the Deputy Staff Director/General Counsel; the Deputy Staff Director; eleven professional staff members; and two administrative personnel consisting of the administrative assistant and a receptionist.

Appropriations to the Commission are disbursed on vouchers approved jointly by the Chairman and Co-Chairman or their designee. The U.S. General Accounting Office is officially charged with administrative and financial support services, including processing of Commission payroll and disbursement of Commission funds upon receipt of authorized vouchers. The GAO is also responsible for issuing financial reports required for external reporting and other budget support services as outlined in an interagency agreement reached between the Commission and GAO.

SUMMARY OF RESOURCES

Budget Authority FY 1990	$850,000
Unobligated Balance Beginning FY 1990	14,241
SUBTOTAL	$864,241
Reduction Pursuant to P.L. 99-177	-11,000
TOTAL	$853,241
Total Budgetary Resources FY 1990	$853,241
Estimated Obligations FY 1990	$853,241
Estimated Unobligated Balance End FY 1990	0
Requested Budget Authority FY 1991	$991,000
Estimated Unobligated Balance Start FY 1991	0
TOTAL	$991,000

ESTIMATE FOR FISCAL YEAR 1991 BUDGET

11.1	Personnel Compensation	$656,000.00
12.1	Personnel Benefits	157,000.00
21.0	Travel and Transportation of Persons	3,000.00
23.0	Rent, Communications and Utilities	20,000.00
24.0	Printing and Reproduction	2,000.00
25.0	Other Services	130,000.00
26.0	Supplies and Materials	22,000.00
31.0	Equipment	1,000.00
	TOTAL	$991,000.00

****

JUSTIFICATION OF ESTIMATES

PERSONNEL COMPENSATION

The Commission currently has 15 full-time, permanent employees on its staff. An additional $90,000 has been requested in this category for Fiscal Year 1991. Approximately thirty-three percent (33%) of the requested increase is necessary to maintain current staff levels and permit a one-time across the board salary increase. Of the remaining $60,000, a press officer will be hired at $38,000. For the past two years the Commission has had the benefit of a foreign service officer on loan from the U.S. Information Agency. It has become clear that her contract will not be renewed for an additional year, therefore, the Commission will need to hire someone to fill this position. An additional staff assistant will also be hired at $22,000 to cover the area of Soviet Affairs. Once the press officer and additional staff assistant are hired, the Commission will have 17 permanent positions.

11.1 Permanent Positions	Approximate GS-Equivalents
Deputy Staff Director & General Counsel	GS-14, 6-7
Deputy Staff Director	GS-14, 5-6
Press Officer	GS-12, 2-3
Staff Assistant	GS-11, 6-7
Staff Assistant	GS-10, 2-3
Staff Assistant	GS-13, 2-3
Staff Assistant	GS-13, 4-5
Staff Assistant	GS-12, 6-7
Staff Assistant	GS-09, 2-3
Staff Assistant	GS-11, 6-7
Staff Assistant	GS-12, 6-7
Staff Assistant	GS-11, 6-7
Staff Assistant	GS-12, 6-7
Staff Assistant	GS-11, 6-7
Staff Assistant	GS-07, 3-4
Administrative Assistant	GS-11, 1-2
Secretary	GS-06, 3-4
SUBTOTAL	$642,000.00
11.3 Positions Other Than Permanent	
Interns	$14,000.00
TOTAL	$656,000.00

PERSONNEL BENEFITS

The requested figure of $157,000 for personnel benefits covers the Commission's employer contributions to health and life insurance, the Congressional retirement system, medicare, FICA, and the Federal Employees Retirement System (FERS). The cost of FERS to the Commission represents a marked increase compared to CSRS. Most of CSCE's employees have opted for the FERS retirement fund; several employees contributing portions of their salaries to the Thrift Savings Program (TSP).

The Commission has requested an additional $21,000 in this category. Of this amount, $7,000 is required to maintain current staff levels. The additional $14,000 will be required to cover the cost of benefits for the press officer and additional staff assistant positions which the Commission will fill in Fiscal Year 1991.

TRAVEL AND TRANSPORTATION

The Commission has not requested an increase in this category for Fiscal Year 1991. This category covers costs incurred for domestic travel and local transportation for Commissioners, Commission staff and hearing witnesses as necessary. It is anticipated that an estimated $3,000 will be required under this category.

In addition, hearing witnesses and individuals who are requested to appear before the Commission in an official capacity can be reimbursed for their travel expenses under this category. When necessary, interpreter and translation fees can also be authorized by the Chairman.

Overseas travel by Commissioners and Commission staff is covered under Section 502(b) of the Mutual Security Act of 1954. For the purposes of this Act, the Commission is deemed to be a standing committee of the Congress and is entitled to the use of funds in accordance with this section pursuant to Public Law 94-534 dated October 17, 1976.

RENT, COMMUNICATION AND UTILITIES

The estimate of $20,000 covers costs of services within the office such as maintenance costs for word processing and computer equipment, xerox photocopier and the telephone answering machine. This category also covers expenses incurred for long distance and local telephone service; telegrams; messenger service; overseas postage and other related expenses.

Word Processing and Computer Equipment	$ 3,000.00
Xerox Copier	$ 1,000.00
Long Distance Telephone Services	$15,000.00
Postage, Telegrams, Courier Services	$ 1,000.00
TOTAL	$20,000.00

PRINTING AND REPRODUCTION

Costs for printing and binding of hearings and committee prints, miscellaneous items such as franked envelopes, Commission letterhead and other official printed matter are now being charged to the Congressional fund and are no longer a line item on the Commission's budget. The amount requested, $2,000, covers outside printing costs for the Commission's press release letterhead, personal stationery, brochures, and other miscellaneous printing costs not authorized through the Government Printing Office.

OTHER SERVICES

The Commission is requesting an additional $20,000 in this category. The additional funds will be needed to cover the following areas: $4,600 to cover an increase in GAO's contract for administrative and financial services and $15,400 to cover the costs of two special projects - a return visit of the Supreme Soviet and a newly-inaugurated program with East European political leaders.

Contract for Administrative & Financial Services, U.S. General Accounting Office	$ 9,600.00
Consultant Fees	$ 92,200.00
Representation Funds	$ 6,000.00
Court Reporting, Photographic Services, Translation Fees, and Special Programs	$ 22,200.00
TOTAL	$130,000.00

SUPPLIES AND MATERIALS

The Commission is requesting an additional $7,000 in this category. It is estimated that $22,000 will be spent for operating supplies, including word processing and computer accessories. The additional funds will be required to purchase supplies needed to prepare for the return visit of the Supreme Soviet delegation. There has also been an increase in xeroxing costs in preparation for timely congressional briefings on Eastern Europe and the Soviet Union. In addition, subscriptions to newspapers, periodicals, magazines, books, research materials, and other pertinent publications are funded under this category.

EQUIPMENT

It is estimated that $1,000 will be needed for this category to cover the cost of any additional portable printers the Commission might add due to increased number of staff traveling on official Congressional delegations and CSCE Follow-Up Meetings.

Mr. SMITH. We have our colleague testifying this morning, the Honorable Steny Hoyer.

Mr. HOYER. Good morning, Mr. Chairman.

Mr. SMITH. Good morning.

Mr. HOYER. If I might, I would like to have my full statement entered in the record.

Mr. SMITH. Yes, without objection.

OPENING STATEMENT

Mr. HOYER. Mr. Chairman, witness the dramatic historical statement made by the President of Czechoslovakia, Mr. Havel; 1989 was obviously a very exciting, active year for the Helsinki Commission because our mandate under statute passed in 1976 obviously is to review the implementation of the Helsinki Final Act. As you so well know, having reviewed the budget since its inception, Mr. Chairman, it involves the security and cooperation in Europe, and includes, of course, Canada and the United States. It involves three specific focuses: that of security, confidence building measures, military security; economic, technological, scientific, environmental, and oversight concern, incorporated in basket two of the Helsinki Final Act; and then in basket three, the human rights concerns.

I was very interested, as I think you probably were, Mr. Chairman, when President Havel referred to the Bill of Rights as the Bill of Human Rights, amplifying somewhat our own designation of that Bill of Rights incorporated in our Constitution.

Mr. Chairman, it might appear on the surface that things have been accomplished in Eastern Europe that none of us perceived possible and that therefore the work of the Commission might be subsiding. In fact, just the opposite is occurring. As an increasing number of Americans both in the private sector and in the public sector begin to interface with an opening Eastern Europe, the work of our Commission is in fact increasing almost exponentially. The calls to our office for information, advice and counsel or consultation from both the public sector and the private sector have increased markedly.

To my right, Mr. Chairman, as you know, is Ambassador Sam Wise, who was our number two at the Vienna review conference, and who is the staff director of the Commission. He and I have discussed this matter. We are increasingly called upon to give our expertise as it relates to Eastern Europe from the political standpoint and social standpoint, as well as a cultural standpoint and economic standpoint. We have one of the most expert staffs on Capitol Hill, as you know.

In addition, another aspect that is causing our work to escalate is the review of the election processes that heretofore have not occurred but are now occurring. In fact, Mr. Chairman, I was in Paris at the first meeting on human rights, of which there will be three; the second will be this year in Copenhagen, and the last of which will be in Moscow in 1991. There I made a proposal on behalf of the United States that the way the Helsinki Final Act's provision relating to the people being the ultimate deciders of policy was, and the only way to have it, was free elections. We made that proposal. In fact that is occurring to a greater or lesser extent in various parts of Eastern Europe.

We are going to be monitoring each one of those elections, and, in fact, have delegations overseas right now and will have throughout the coming year.

Mr. Chairman, let me close my opening comments, to quote from our Secretary of State, Secretary Baker, in his speech in Berlin in December of 1989, just two months ago. He said, and I quote, "Now it is time for the CSCE process to advance further. We can look forward to filling each of its three baskets with new substance."

Very frankly, Mr. Chairman, that is how Senator DeConcini and I and the members of the Commission view what has occurred in 1989 which President Bush, in his State of the Union Address, referred to as a revolution. In fact he was correct. It is time for the CSCE process to be reinvigorated and to expand.

Mr. Gorbachev called for a Helsinki Two. Mr. Havel mentioned that. And when I met with the foreign minister of Czechoslovakia yesterday at a breakfast with Senator DeConcini, he reiterated that his perspective and much of the leadership of Europe, both in the West and the East, was that the Helsinki process will now be expanded, not constricted. The impact the CSCE process has had on—and it has not been the only influence, quite obviously—but the influence that it has had on the reforms, the human rights, the civil and political rights that we see being extended throughout Eastern Europe and indeed even in the Soviet Union are in some part for those changes. What percentage, I guess, no one can really say—but in some part, perhaps a significant part. They are attributable to the Helsinki Final Act and the processes that were started by that act, which nobody perceived in 1975 as being nearly as effective as they have been.

China, just the other day, in response to the State Department's report on human rights throughout the world, was severely critical of the State Department for doing what the Helsinki process began with a vengeance. That is the so-called intruding on the internal affairs of another nation, particularly when those internal affairs in a very substantial way result in diminution of the human rights of citizens of the world. They may be citizens of China or the United States, the Soviet Union, but they are also our fellow citizens. The Helsinki Final Act adopted the premise, with which I think all of us agree that those rights are a concern to all people.

So, Mr. Chairman, this budget does request a 16 percent increase. That 16 percent increase involves the addition of two additional people and new programs. That takes up about 60 percent of the additional costs. It also provides for a $15,000 additional sum because of the Soviet-U.S. interface which the leadership has asked us to continue, which we did in November 1988 as well as in December 1989 as you probably know. Sixty percent of that deals with the new people and new programs. Forty percent of it deals with the existing people, raises, benefits, and things of that nature.

I very much appreciate the consideration of this committee.

Mr. Wise and Gina Harner, our office manager and budgeteer, are here with me. We would be pleased to answer any questions that you might have, sir.

Mr. **Smith**. Without objection, your prepared material will be included in the record.

[The statement of Mr. Hoyer follows:]

BUDGET REQUEST FOR FISCAL YEAR 1991

THE COMMISSION IS AUTHORIZED AND DIRECTED UNDER PUBLIC LAW 94- 304, AMENDED BY PUBLIC LAW 99-7, TO "MONITOR THE ACTS OF THE (CSCE) SIGNATORIES WHICH REFLECT COMPLIANCE WITH OR VIOLATION OF THE ARTICLES OF THE FINAL ACT OF THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE WITH PARTICULAR REGARD TO THE PROVISIONS RELATING TO HUMAN RIGHTS AND COOPERATION IN HUMANITARIAN FIELDS" AND TO "ENCOURAGE THE DEVELOPMENT OF PROGRAMS AND ACTIVITIES OF THE UNITED STATES GOVERNMENT AND PRIVATE ORGANIZATIONS WITH A VIEW TOWARD...EXPANDING EAST-WEST ECONOMIC COOPERATION AND A GREATER INTERCHANGE OF PEOPLE AND IDEAS BETWEEN EAST AND WEST."

MEMBERSHIP OF THE COMMISSION

SENATOR DENNIS DeCONCINI (D-AZ) CURRENTLY SERVES AS CHAIRMAN OF THE COMMISSION. REPRESENTATIVE STENY H. HOYER SERVES AS CO-CHAIRMAN. PURSUANT TO PUBLIC LAW 99-7 THE CHAIRMANSHIP OF THE COMMISSION IS ROTATED BETWEEN THE HOUSE AND SENATE EVERY CONGRESS. IN ADDITION TO THE CHAIRMAN AND CO-CHAIRMAN, THE COMMISSION IS COMPOSED OF EIGHT MEMBERS FROM THE SENATE, EIGHT MEMBERS FROM THE HOUSE OF REPRESENTATIVES, AND ONE OFFICIAL EACH FROM THE DEPARTMENTS OF STATE, COMMERCE AND DEFENSE FOR A TOTAL OF 21 COMMISSIONERS. CURRENTLY REPRESENTING THE EXECUTIVE BRANCH ARE ASSISTANT SECRETARY OF STATE FOR HUMAN RIGHTS AND HUMANITARIAN AFFAIRS RICHARD SCHIFTER, ASSISTANT SECRETARY OF COMMERCE FOR CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS WILLIAM D. FRITTS, JR., AND ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY POLICY STEPHEN J. HADLEY.

STAFFING

THE HIRING, FIRING, AND FIXING OF PAY OF NEW OR ADDITIONAL STAFF OF THE COMMISSION IS DONE THROUGH THE COMMISSION'S PERSONNEL AND ADMINISTRATION COMMITTEE WHICH CONSISTS OF THE CHAIRMAN, CO-CHAIRMAN, AND THE RANKING MINORITY MEMBERS FROM THE HOUSE AND SENATE. THE COMMISSION IS AUTHORIZED TO APPOINT AND FIX THE PAY OF SUCH STAFF PERSONNEL AS IT DEEMS APPROPRIATE. DURING THE PAST YEAR, THE STAFF CONSISTED OF THE STAFF DIRECTOR, APPOINTED BY THE CHAIRMAN AND CO-CHAIRMAN; THE DEPUTY STAFF DIRECTOR/GENERAL COUNSEL; THE DEPUTY STAFF DIRECTOR; ELEVEN PROFESSIONAL STAFF MEMBERS; AND TWO ADMINISTRATIVE PERSONNEL CONSISTING OF THE ADMINISTRATIVE ASSISTANT AND A RECEPTIONIST. ADDITIONALLY, THE COMMISSION HAD THE EXPERTISE OF A SENIOR SOVIET SPECIALIST AND PRESS OFFICER, BOTH FOREIGN SERVICE OFFICERS, ON LOAN TO THE COMMISSION FROM THE DEPARTMENT OF STATE AND UNITED STATES INFORMATION AGENCY. IN ADDITION, THE COMMISSION UTILIZES THE SERVICES OF A PRINTING CLERK ON LOAN FROM THE U.S. GOVERNMENT PRINTING OFFICE TO ASSIST WITH THE PUBLICATION AND DISSEMINATION

OF HEARINGS, REPORTS, AND OTHER PRINTED MATERIAL. THE COMMISSION ALSO HIRES INTERNS DURING THE SUMMER MONTHS AND PARTICIPATES IN THE AMERICAN UNIVERSITY SEMESTER PROGRAM IN WHICH STUDENTS WORK AS VOLUNTEERS ON THE STAFF FOR CLASSROOM CREDIT.

FY 91 BUDGET

AS THE COMMITTEE CAN SEE FROM A REVIEW OF PREVIOUS YEARS' EXPENDITURES AND ACTIVITY LEVELS, THE COMMISSION'S OPERATING BUDGET IS MODEST IN RELATION TO ITS ACTIVITIES AND ACCOMPLISHMENTS. THE COMMISSION'S FISCAL YEAR 1991 BUDGET REPRESENTS APPROXIMATELY A SIXTEEN PERCENT (16%) INCREASE IN ESTIMATED TOTAL OBLIGATIONS FROM FISCAL YEAR 1990. OF THE INCREASE IN ESTIMATED TOTAL OBLIGATIONS FOR FY 91 REQUESTED BY THE COMMISSION, FORTY PERCENT (40%) IS REQUIRED TO MAINTAIN THE CURRENT STAFF LEVEL AND PRESENT PROGRAMS. FOR INSTANCE, DURING 1989-90, THE COMMISSION HIRED ADDITIONAL STAFF TO MEET THE COMMISSION'S STEADILY INCREASING ROLE THAT IT HAS UNDERTAKEN IN EAST-WEST DIPLOMACY. A MILITARY EXPERT TO MONITOR BASKET I MILITARY SECURITY TALKS BEING HELD IN VIENNA HAS BEEN HIRED AS WELL AS AN ADDITIONAL SOVIET EXPERT TO MEET THE INCREASED WORK LOAD RESULTING FROM THE COMMISSION-SUPREME SOVIET INTERFACE AND A PROFESSIONAL WRITER TO ASSIST IN COMMISSION PUBLICATIONS. ADDITIONALLY THE COMMISSION CONTINUED TO HOLD HEARINGS ON A WIDE RANGE OF EAST-WEST ISSUES AND ISSUED MAJOR HUMAN RIGHTS REPORTS REGARDING ROMANIA AND THE BALTIC NATIONS. FURTHERMORE, THE COMMISSION INCREASED ITS CONTACTS WITH AND MONITORING OF EAST EUROPEAN SIGNATORIES BY CONTINUING ITS TOUR OF THE NATIONS OF EASTERN EUROPE. THE COMMISSION'S UNPRECEDENTED DISCUSSIONS IN MOSCOW WITH DEPUTIES OF THE SUPREME SOVIET AT THE CLOSE OF 1988 WERE RECIPROCATED IN NOVEMBER 1989 BY A SUPREME SOVIET VISIT LED BY FEDOR M. BURLATSKY, CHAIRMAN OF THE SUBCOMMITTEE ON HUMANITARIAN, SCIENTIFIC AND CULTURAL CONTACTS. AND FINALLY, IN ADDITION TO ITS WORK IN WASHINGTON, THE COMMISSION CONTINUED TO PLAY A MAJOR ROLE WITHIN THE UNITED STATES DELEGATIONS TO THE EXPERTS MEETINGS MANDATED BY THE VIENNA FOLLOW-UP MEETING WHICH ADJOURNED ON JANUARY 19, 1989.

THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE
CSCE

THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE, ALSO KNOWN AS THE CSCE OR THE HELSINKI PROCESS, IS AN ON-GOING MULTILATERAL FORUM INVOLVING ALL THE NATIONS OF EUROPE EXCEPT ALBANIA PLUS THE UNITED STATES AND CANADA. THROUGH THE YEARS CSCE HAS EVOLVED INTO AN ONGOING EXCHANGE OF VIEWS ON THE STATE OF THE FINAL ACT'S IMPLEMENTATION AND ADOPTION OF NEW COMMITMENTS BY WHICH TO STRENGTHEN AND EXPAND UPON THE ORIGINAL FINAL ACT PROVISIONS.

THE VIENNA FOLLOW-UP MEETING WHICH BEGAN NOVEMBER 4, 1986, AND ADJOURNED 19 JANUARY 1989, CALLED FOR SEVERAL SPECIALIZED OR EXPERTS MEETINGS ON SUCH SUBJECTS AS MILITARY SECURITY (CONFIDENCE AND SECURITY-BUILDING MEASURES), ECONOMIC COOPERATION AND HUMAN RIGHTS. COMMISSION STAFF, MANY OF WHOM SERVED ON THE U.S. DELEGATION TO THE VIENNA FOLLOW-UP MEETING AND WHO WERE FULLY ENGAGED IN THE NEGOTIATIONS OF THE MEETING WOULD PARTICIPATE IN THE FOUR MAJOR CSCE CONFERENCES SCHEDULED DURING FISCAL YEAR 1990 - THE MEETING ON THE PROTECTION OF THE ENVIRONMENT (SOFIA) - OCTOBER 16, 1989 THROUGH NOVEMBER 3, 1989; ECONOMIC CONFERENCE (BONN) - MARCH 19, 1990 THROUGH APRIL 11, 1990; MEETING ON THE CONFERENCE ON THE HUMAN DIMENSION (COPENHAGEN) - JUNE 5, 1990 THROUGH JUNE 29, 1990 AND THE MEETING ON THE MEDITERRANEAN (PALMA DE MALLORCA) - SEPTEMBER 24, 1990 THROUGH OCTOBER 19, 1990.

THE NUMBER OF SPECIALIZED MEETINGS HAS INCREASED AND SO HAS THE COMMISSION'S ROLE. ON AVERAGE THE COMMISSION COMMITS AT LEAST FIVE FULL TIME STAFF TO THESE MEETINGS. BECAUSE OF THE COMMISSION'S EXPERTISE AND HISTORICAL CONTINUITY WITHIN CSCE AS THE PROCESS COMMANDS MORE ATTENTION DOMESTICALLY AND WITHIN THE EXECUTIVE BRANCH THE COMMISSION EXPECTS TO CONTINUE BUILDING UPON THIS CRITICAL ASPECT OF ITS WORK. FOR INSTANCE DURING FY91 THE COMMISSION WILL ASSIST IN FORMULATION OF UNITED STATES CSCE POLICY AND OF STAFFING IN THE ONGOING NEGOTIATIONS ON CONFIDENCE- AND SECURITY-BUILDING MEASURES IN VIENNA; THE KRAKOW SYMPOSIUM ON CULTURAL HERITAGE (MAY 28, 1991 - JUNE 7, 1991); AND THE MOSCOW MEETING OF THE CONFERENCE ON THE HUMAN DIMENSION (SEPTEMBER 10, 1991 - OCTOBER 4, 1991);

SECRETARY OF STATE JAMES BAKER IN HIS BERLIN SPEECH OF DECEMBER 1989, SET FORWARD A MAJOR U.S. FOREIGN POLICY AIM WITHIN CSCE:

> *"Now its time for the CSCE process to advance further. We can look forward to filling each of its three baskets with new substance. First, we can give the security basket further content through the 35-nation negotiations on confidence-building measures...Second,...we could breathe new life into (the economic basket) by focusing it on the conceptual and practical questions involved in the transition from stalled, planned economies to free, competitive markets...Third, the CSCE process has made its most distinctive mark in the field of human rights. One fundamental right, however, has not yet been fully institutionalized - the right for people to choose, through regular, free, open, multiparty elections, those who will govern them. This is the ultimate human right, the right that secures all others...Free elections should now become the highest priority in the CSCE process."*

THE DOMINO EFFECT OF FALLING COMMUNIST REGIMES IS STAGGERING EUROPE WITH ITS SPEED AND FERVENCY. DESPITE THE MANY DIFFERENCES

AMONG THE EASTERN EUROPEAN STATES - THE APPEAL OF DEMOCRATIZATION AND PLURALISM SPRANG FROM THE MOST INNER DEPTHS OF EACH SOCIETY'S PEOPLES. THE WEST MAY HAVE PROVIDED THE MODELS OF HOW A GOVERNMENT SHOULD ACT TOWARD ITS CITIZENS, BUT THE BID FOR FREEDOM CAME FROM WITHIN.

WHAT IS UNCERTAIN IS HOW THE BIDS FOR FREEDOM WILL ULTIMATELY PLAY OUT IN EACH OF THE EASTERN EUROPEAN STATES. THE CURRENT POLITICAL INSTABILITY AND ECONOMIC DEVASTATION VARY AMONG THE COUNTRIES BUT THE TRANSITION TO THE RULE OF LAW PROMISES TO BE A POTENTIALLY VOLATILE MIX OF OPTIMISM AND PESSIMISM THROUGHOUT THE REGION. A QUESTION BY A REPORTER FROM FRENCH TELEVISION TO PETRE ROMAN, ROMANIA'S NEW PRIME MINSTER, AS TO WHETHER THE NATURE OF THE TRIAL WHICH RESULTED IN CEAUSESCU'S EXECUTION WAS "THE LAST ACT OF THE DICTATORSHIP OR ... THE FIRST MISTAKE OF THE DEMOCRACY" POIGNANTLY SUMS UP THE TROUBLING TIMES AHEAD. AS EACH STATE SHEDS THE BASIC ELEMENTS - BOTH POLITICAL AND ECONOMIC - OF THE SYSTEM IMPOSED ON THEM IN THE IMMEDIATE POST-WAR PERIOD THE NEWLY ASSERTIVE NATIONS EMERGING ARE SETTING IN MOTION FORCES WHICH WILL HAVE A SIGNIFICANT IMPACT UPON THE CSCE COMMUNITY. AS SECRETARY BAKER POINTS OUT AND AS THE COMMISSION HAS MAINTAINED FOR YEARS CSCE ULTIMATELY MAY PROVIDE THE BEST FRAMEWORK FOR FURTHER EUROPEAN RECONCILIATION.

THE FINAL ACT HAS PROVIDED THE FRAMEWORK FOR 35 NATIONS ON BOTH SIDES OF THE POLITICAL-MILITARY DIVIDING LINE TO ENGAGE IN A PROCESS OF RECONCILIATION. AS THAT DIVIDING LINE ERODES AND A NEW CONFIGURATION OF FORCES ARISES IN EUROPE, EUROPEAN SECURITY CAN NOT BE ENSURED WITHOUT THE FULL PARTICIPATION OF ALL OF EUROPE AND THE UNITED STATES AND CANADA. CSCE RECOGNIZES THE IMPORTANCE OF THE ACTIVE PARTICIPATION OF ALL EUROPEAN STATES INCLUDING THAT OF THE NEUTRAL AND NON-ALIGNED STATES. EACH HAS EQUAL RIGHTS AND, THEREBY, AN EQUAL VOICE IN THE FUTURE OF THE PROCESS AND IN SOLVING THE PROBLEMS CONFRONTING CONTEMPORARY EUROPE. CSCE SPEAKS TO ALL OF THE NATIONS OF EUROPE AND FOR SOME OF THE EUROPEAN STATES FOR WHOM THE PAST STILL WEIGHS HEAVILY THIS FRAMEWORK ENSURES THAT THEIR VIEWS ARE HEARD.

Observing Elections

FREE ELECTIONS AND POLITICAL PLURALISM WERE THE SUBJECT OF A U.S. PROPOSAL PRESENTED IN A SPEECH BY CO-CHAIRMAN HOYER AT THE PARIS HUMAN DIMENSION MEETING. BUILDING UPON A COMMITMENT IN THE UNIVERSAL DECLARATION OF HUMAN RIGHTS, THE U.S. PROPOSAL WOULD COMMIT THE PARTICIPATING STATES TO ALLOW "THE WILL OF THE PEOPLE TO SERVE AS THE BASIS OF AUTHORITY OF GOVERNMENT" BY ESTABLISHING PERIODIC, GENUINE AND FREE ELECTIONS; ALLOWING INDIVIDUALS TO ESTABLISH AND MAINTAIN THEIR OWN POLITICAL PARTIES WITH THEIR OWN POLITICAL PROGRAMS; RESPECTING THE RIGHT OF INDIVIDUALS TO SEEK OFFICE AND TO BE ELECTED; AND PERMITTING THE OBSERVATION OF ELECTION PROCEEDINGS.

1990 IS A WATERSHED YEAR IN THE SOVIET UNION AND EASTERN

EUROPE, AS EVERY REPUBLIC AND COUNTRY WILL BE HOLDING IMPORTANT STATE AND LOCAL ELECTIONS THAT COULD DETERMINE THE COURSE OF REFORM IN THE REGION INTO THE NEXT CENTURY. THE RAMIFICATIONS OF THE ELECTIONS ARE VITAL, ESTABLISHING NOT ONLY THE COMPLEXION OF THE NEW GOVERNMENTS BUT ALSO THE FOUNDATION-STONE OF THE EMERGING DEMOCRACIES. THUS, THE OUTCOMES AND THE PROCESSES OF THE ELECTIONS ARE EQUALLY IMPORTANT. THE COMMISSION WILL BE SENDING ITS STAff TO OBSERVE THE UPCOMING ELECTIONS AS ONE ASPECT OF ITS FOCUS ON THE SOVIET UNION'S AND THE EASTERN EUROPEAN STATES' MOVEMENT TOWARD MEETING DEMOCRATIC PRINCIPLES.

COMMISSION STAFF WILL BE SENT THROUGHOUT EASTERN EUROPE AS WELL AS THE REPUBLICS OF THE SOVIET UNION TO OBSERVE UPCOMING ELECTIONS. STAFF WILL MEET WITH CANDIDATES, VOTERS, JOURNALISTS, GOVERNMENT OFFICIALS, REPRESENTATIVES OF HUMAN RIGHTS ORGANIZATIONS, ETHNIC AND RELIGIOUS ORGANIZATIONS, OTHER INTEREST GROUPS, AND ELECTION OFFICIALS BOTH BEFORE AND AFTER THE ELECTIONS. THE DELEGATION WOULD FOCUS ON A NUMBER OF ISSUES, INCLUDING ACCESS TO THE MEDIA AND OTHER RESOURCES, AS WELL AS LAWS GOVERNING ELECTION PROCEDURES. THE COMMISSION INTENDS TC ISSUE SEVERAL MAJOR REPORTS IN FY91 AS A RESULT OF THESE ACTIVITIES.

PUBLIC DIPLOMACY

FROM ITS INCEPTION, THE COMMISSION HAS BEEN CONCERNED WITH THE PUBLICITY AND LACK OF PUBLICITY OF CSCE ISSUES, ESPECIALLY THOSE CONCERNING THE HUMAN CONTACTS AND HUMANITARIAN PROVISIONS OF THE FINAL ACT. THIS CONCERN STEMS FROM THE BELIEF THAT BY HOLDING UP TO PUBLIC SCRUTINY VIOLATIONS OF THE FINAL ACT BY ANY OF ITS SIGNATORIES, ACCOUNTABILITY WOULD BECOME AN IMPORTANT ASPECT OF INTERNATIONAL DEBATE AND DISCUSSION BETWEEN NATIONS. PUBLIC AND POLITICAL PRESSURES WOULD COALESCE TO HELP BRING ABOUT PROGRESS IN RESPECT FOR HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS. TO THIS END, THE COMMISSION, THROUGH A BROAD RANGE OF ACTIVITIES, SEEKS TO PROMOTE PUBLIC AWARENESS OF THE CSCE PROCESS BY PROVIDING CURRENT INFORMATION AND PROVOKING PUBLIC DISCUSSION ON EAST-WEST ISSUES.

THE COMMISSION ATTEMPTS TO CAPITALIZE ON ITS UNIQUE COMPOSITION OF EXECUTIVE AND LEGISLATIVE MEMBERS AND TAKE ADVANTAGE OF THE PUBLIC VISIBILITY AND ATTRACTIVENESS OF CSCE ISSUES. THE COMMISSION PUBLICLY RAISES AND DISCUSSES EAST-WEST ISSUES SUCH AS THE ENVIRONMENT, INSTITUTIONALIZATION OF HUMAN RIGHTS, CHANGING SOVIET SOCIETY AND THE FREE FLOW OF INFORMATION AMONG NATIONS. THROUGH REPORTS, OPEN HEARINGS AND PUBLIC POLICY FORUMS, THE COMMISSION BRINGS THESE ISSUES BEFORE THE PUBLIC AND PROVIDES INTERESTED EXPERTS AND LEADERS FROM BOTH INSIDE AND OUTSIDE THE GOVERNMENT THE OPPORTUNITY TO COMMENT UPON, DISCUSS AND RECOMMEND COURSES OF ACTION. PUBLIC DEBATE AND DISCUSSION ON EAST-WEST ISSUES, INCLUDING MILITARY SECURITY, ECONOMIC AND SCIENTIFIC COOPERATION, ENVIRONMENT AND HUMAN RIGHTS, ARE STRONGLY ENCOURAGED

BY THE COMMISSION.

ACCORDINGLY, THE COMMISSION INTENDS TO BUILD UPON ITS CURRENT LEVEL OF PUBLIC DIPLOMACY THROUGH HEARINGS, REPORTS, AND BRIEFINGS, ON THE ENTIRE RANGE OF ISSUES IN THE HELSINKI PROCESS. IN ADDITION, THE COMMISSION INTENDS TO ISSUE MAJOR REPORTS FOCUSING ON SUCH TOPICS AS THE TRANSITION TO DEMOCRACY AND HUMAN RIGHTS IN THE 1990s, SUBMIT ARTICLES ON A MONTHLY BASIS FOR PUBLICATION IN LEADING NATIONAL NEWSPAPERS, CONDUCT INTERVIEWS WITH NATIONAL AND ETHNIC MEDIA AND INCREASE ITS SPONSORSHIP OF HILL BRIEFINGS. OUR OBJECTIVE IS TO RAISE THE PUBLIC PROFILE OF THE HELSINKI PROCESS AS A WHOLE, TO ALLOW CSCE'S PUBLIC CONSTITUENCIES IN THE UNITED STATES THE OPPORTUNITY TO PRESENT THEIR VIEWS ON THE PROCESS AND TO REMAIN FULLY INFORMED ABOUT UNITED STATES EAST-WEST POLICY, TO PLACE ON THE RECORD THE UNITED STATES' POSITION, TO PROVIDE COMMISSIONERS THE PUBLIC OPPORTUNITY TO COMPLIMENT, CRITICIZE, OR MAKE RECOMMENDATIONS TO U.S. OFFICIALS REGARDING UNITED STATES POLICY, AND TO PROVIDE AN OPPORTUNITY TO REVIEW U.S. PERFORMANCE AND ASSESS THE RESULTS.

THE COMMISSION'S FOCUS AND EMPHASIS IS ON THE PUBLIC DIPLOMACY ELEMENT OF UNITED STATES CSCE PROCESS POLICY. WE SEEK TO FOSTER PUBLIC SUPPORT FOR THE HELSINKI PROCESS BY DIRECTLY ADDRESSING THE CRITICISMS OF THE PROCESS AS WELL AS HIGHLIGHTING THOSE PROMISES THAT HAVE NOT BEEN KEPT AND THOSE AREAS WHERE INCREASED COOPERATION IS NEEDED. THE COMMISSION VIEWS THIS AS A CRITICAL PART OF ITS MANDATE DURING FISCAL YEAR 1991, PARTICULARLY IN LIGHT OF PRESIDENT MIKHAIL GORBACHEV'S CALL FOR AND PRESIDENT BUSH'S AGREEMENT TO AN EARLY 35 NATION EAST-WEST SUMMIT TO CHART THE FUTURE OF AN ALTERED EUROPE.

THE COMMISSION BELIEVES THAT THE CSCE PROCESS HAS PROFOUND INHERENT VALUE TO THE UNITED STATES AND THE WEST AND EAST AS A WHOLE, BUT TO REALIZE ITS POSSIBILITIES REQUIRES A DEEP UNDERSTANDING OF IT AND A WILLINGNESS TO PRESS AHEAD WITH DETERMINATION OVER THE LONG HAUL. THOUGH DIFFERENCES REMAIN AMONG THE CSCE SIGNATORIES A COMMON WILLINGNESS HAS EMERGED AFTER MORE THAN FOURTEEN YEARS' EXPERIENCE WITH THE PROCESS, TO DISCUSS AND EXAMINE AREAS OF MUTUAL CONCERN THEREBY PROPELLING THE PROCESS FORWARD. CSCE IS NOW ENTERING A CRITICAL PHASE IN WHICH THE IMPULSES FOR REVOLUTIONARY CHANGE ENVISIONED BY THE FINAL ACT ARE BEING BROUGHT TO BEAR BY THE PEOPLES OF EUROPE -THOSE TO WHOM THE FINAL ACT SPOKE. THE STRUCTURE OF A NEW PAN-EUROPEAN CIVIL SOCIETY IS EMERGING. ONE CSCE GOAL IS TO PERMIT CONTINUATION OF PRESENT POLITICAL TRENDS WHILE SAFEGUARDING THAT PROCESS OF CHANGE.

MONITORING COMPLIANCE

Commission-Supreme Soviet Interface

IN November 1988 A COMMISSION DELEGATION LED BY THE CHAIRMAN AND CO-CHAIRMAN HELD UNPRECEDENTED DISCUSSIONS IN MOSCOW WITH

DEPUTIES OF THE SUPREME SOVIET AND WITH POLITICAL ACTIVISTS, RELIGIOUS BELIEVERS, HUMAN RIGHTS REPRESENTATIVES, MEMBERS OF NATIONAL MINORITIES AND REFUSENIKS. THE DELEGATION WAS COMPOSED OF ELEVEN MEMBERS OF CONGRESS AND THREE REPRESENTATIVES FROM THE EXECUTIVE BRANCH, INCLUDING ASST. SECRETARY OF DEFENSE, RONALD LEHMAN, ASST. SECRETARY OF COMMERCE, LOUIS LAUN, AND ASST. SECRETARY OF STATE, RICHARD SCHIFTER.

THE IDEA OF THE EXCHANGE WAS PUT FORWARD DURING THE ABC NEWS CAPITAL-TO-CAPITAL "SPACE-BRIDGE" ON HUMAN RIGHTS IN OCTOBER 1987. THE PROGRAM, WHICH WAS BROADCAST LIVE IN THE SOVIET UNION AND THE UNITED STATES, INCLUDED AS ONE OF THE SOVIET PARTICIPANTS, VADIM ZAGLADIN, WHO THEN SERVED AS DEPUTY HEAD OF THE INTERNATIONAL DEPARTMENT OF THE CENTRAL COMMITTEE. MR. ZAGLADIN PROPOSED TO MR. HOYER, PARTICIPATING ON THE U.S. PANEL WITH SENATOR MOYNIHAN, THAT REGULAR BILATERAL DISCUSSIONS BE HELD ON SPECIFIC HUMAN RIGHTS CASES BY MEMBERS OF THE SUPREME SOVIET AND THE UNITED STATES CONGRESS. SHORTLY AFTER THAT PROGRAM WAS AIRED, THE U.S. HOUSE AND SENATE LEADERSHIP AGREED TO ACCEPT THE SOVIET PROPOSAL AND DESIGNATED THE HELSINKI COMMISSION AS THE CONGRESSIONAL BODY TO INTERACT WITH SOVIET PARLIAMENTARY REPRESENTATIVES IN HUMAN RIGHTS DISCUSSIONS.

AT THE INVITATION OF THE COMMISSION A SUPREME SOVIET DELEGATION LED BY FEDOR M. BURLATSKY, CHAIRMAN OF THE SUBCOMMITTEE ON HUMANITARIAN, SCIENTIFIC AND CULTURAL CONTACTS, ARRIVED IN WASHINGTON FOR TALKS ON CSCE ISSUES FROM 27 NOVEMBER THROUGH 4 DECEMBER 1989. THE COMMISSION ARRANGED FOR THE SOVIET DELEGATION TO MEET WITH ATTORNEY GENERAL RICHARD THORNBURGH, SUPREME COURT JUSTICE SANDRA DAY O'CONNOR, SENATE MAJORITY LEADER GEORGE MITCHELL AND HOUSE SPEAKER THOMAS FOLEY, SUPREME COURT CHIEF JUSTICE REHNQUIST AND VICE PRESIDENT QUAYLE. JOINT WORKING GROUPS WERE FORMED TO DISCUSS HUMANITARIAN CONCERNS. ADDITIONALLY MEETINGS WERE ARRANGED BY WHICH THE SOVIET DELEGATION COULD DISCUSS WITH ACTIVISTS THE ROLE OF PUBLIC ADVOCACY GROUPS WITHIN THE AMERICAN POLITICAL PROCESSES, WITH JOURNALISTS FREEDOM OF THE PRESS, AND WITH CONGRESSIONAL EXPERTS THE WORKINGS OF CONGRESS. THE DELEGATION MET WITH STATE OFFICIALS, INCLUDING GOVERNOR SCHAEFER OF MARYLAND AND LATER WITH HISPANIC AND NATIVE AMERICAN LEADERS IN ARIZONA. DRUG PROBLEMS WITH OFFICIALS AT THE ARIZONA DEPARTMENT OF PUBLIC SAFETY AND EMIGRATION ISSUES WITH INS OFFICIALS WERE DISCUSSED.

THE COMMISSION HAS BEEN INVITED TO CONTINUE THE BILATERAL DISCUSSIONS IN MOSCOW IN NOVEMBER 1990, AND IT EXPECTS TO HOST A RETURN VISIT OF A SUPREME SOVIET DELEGATION SOMETIME IN FY91. THIS RELATIVELY NEW PROGRAM OF THE COMMISSION COMMANDS SUBSTANTIAL STAFF TIME AND OTHER RESOURCES AND IS EXPECTED TO INCREASE IN IMPORTANCE AS THE SUPREME SOVIET'S MEMBERSHIP AND DELIBERATIONS INCREASINGLY REFLECT SOVIET SOCIETY.

Casework

AS YURI KASHLEV, SOVIET FIRST DEPUTY FOREIGN MINISTER AND HEAD OF THE VIENNA DELEGATION STATED ON DECEMBER 31, 1989,

> *"We need to build a home in which human rights are respected. Here too we are lagging behind...A year has passed and the promises remain unfulfilled...we need to keep our word. All the more so as our economic and political relations with the West largely depend on them. That is why I want to recall Shevardnadze's appeal to deputies to urgently examine and adopt laws on entry and exit to and from the country, on freedom of conscience, and on social organizations. We must urgently publish all laws and ordinances concerning freedom of movement both within the country and abroad....we need to publish all documents on human rights. After all, we are still reminded by the West of the existence of political prisoners...and of violations in the sphere of psychiatry and religious freedoms. Only by fulfilling all this can we become full participants in the building of the all-European home."*

THE COMMISSION CONTINUES TO DEVOTE SIGNIFICANT TIME AND RESOURCES TO MONITORING THE HUMAN RIGHTS PROVISIONS OF THE HELSINKI FINAL ACT. THE COMMISSION AND THE DEPARTMENT OF STATE NOW MAINTAIN A CONSOLIDATED U.S. GOVERNMENT LIST OF EMIGRATION AND FAMILY REUNIFICATION CASES. THE CONSOLIDATED U.S. GOVERNMENT LIST OF REFUSENIKS CURRENTLY CONTAINS 104 UNRESOLVED CASES. AT THE NOVEMBER 1988, COMMISSION-SUPREME SOVIET INTERFACE IN MOSCOW A POLITICAL PRISONERS AND REFUSENIKS LIST WAS PRESENTED. AT THAT TIME THERE WERE 178 NAMES ON THE POLITICAL PRISONERS LIST OF WHICH THERE ARE CURRENTLY 61 OUTSTANDING CASES (22 ARE PSYCHIATRIC PRISONERS AND THE REMAINING 39 ARE IMPRISONED ON ALLEGEDLY CRIMINAL GROUNDS). OF THE 599 REFUSENIK NAMES PRESENTED TO THE SUPREME SOVIET DELEGATION THERE ARE CURRENTLY 20 CASES OUTSTANDING (16 HAVE BEEN REFUSED FOR 10 YEARS OR MORE AND 3 HAVE BEEN REFUSED FOR BETWEEN 5 - 10 YEARS). THIS ASPECT OF THE COMMISSION'S WORK HAS STEADIED. CASEWORK CONSISTS OF ASSEMBLING FILES ON EVERY PERSON WHO COMES TO OUR ATTENTION WITH A PROBLEM WHICH FALLS UNDER THE PROVISIONS OF THE FINAL ACT. RELATIVES, FRIENDS, ORGANIZATIONS AND OTHER SOURCES PROVIDE US WITH INFORMATION CONCERNING PRISONERS OF CONSCIENCE; PERSONS WHO ARE DENIED PERMISSION TO EMIGRATE; PERSONS WHO ARE PERSECUTED BECAUSE OF THEIR RELIGIOUS BELIEFS, POLITICAL ACTIVITIES OR CULTURAL ACTIVITIES; AND DIVIDED FAMILIES OR SEPARATED SPOUSES, AMONG OTHER CASES. WE ALSO ASSEMBLE THOROUGH DOCUMENTATION ON GOVERNMENT POLICIES AND PRACTICES WHICH VIOLATE HELSINKI COMMITMENTS.

THE COMMISSION IS MAINTAINING ITS CURRENT LEVEL OF STAFF RESOURCES TO THIS CRITICAL PART OF ITS WORK. WHILE EVENTS IN EASTERN EUROPE POINT TO AN EXPECTED DECLINE IN THIS ASPECT OF THE COMMISSION'S ACTIVITY - CASEWORK MONITORING IS EXPECTED TO CONTINUE

CONTINUE TO BE AN IMPORTANT ASPECT OF THE COMMISSION'S DEALINGS WITH THE SOVIET GOVERNMENT. THIS IS PARTICULARLY TRUE IN LIGHT OF THE PRECARIOUS DOMESTIC SITUATION EXISTING TODAY IN THE SOVIET UNION GIVEN THE RISING NATIONAL TURMOIL.

Basket II

THE CHAPTER OF THE FINAL ACT ENTITLED "COOPERATION IN THE FIELD OF ECONOMICS, OF SCIENCE AND TECHNOLOGY, AND OF THE ENVIRONMENT," SETS FORTH GUIDELINES FOR EAST-WEST ECONOMIC RELATIONS. THE OVERALL OBJECTIVE OF THIS CHAPTER, POPULARLY KNOWN AS BASKET II, HAS BEEN TO INCREASE COMMERCIAL AND SCIENTIFIC EXCHANGE BETWEEN THE WIDELY DISPARATE ECONOMIC SYSTEMS OF EAST AND WEST. THIS STATE OBJECTIVE WAS PREMISED UPON THE PRINCIPLE THAT MUTUALLY BENEFICIAL ECONOMIC AND SCIENTIFIC COOPERATION PROMOTES UNDERSTANDING AMONG STATES, THEREBY CONTRIBUTING TO THE UMBRELLA GOAL OF MAINTAINING PEACE AND SECURITY IN EUROPE. THE COMMISSION CLOSELY FOLLOWED EAST- WEST TRADE DEVELOPMENTS, SOME OF WHICH WAS REPORTED UPON AND ANALYZED IN THE CSCE DIGEST. ADDITIONALLY, THE COMMISSION CONVENED A HEARING EXAMINING SOVIET AND EAST EUROPEAN ENVIRONMENTAL POLICIES AND THE SIGNIFICANCE OF THE EMERGENCE OF BOTH OFFICIAL AND UNOFFICIAL ENVIRONMENTAL GROUPS WITHIN THOSE NATIONS AS A PRELUDE TO THE OCTOBER 1989, CSCE MEETING ON THE ENVIRONMENT HELD IN SOFIA, BULGARIA.

WHILE MUCH OF BASKET II IS MADE UP OF PROVISIONS TO BE IMPLEMENTED, UNILATERALLY OR ON A BILATERAL BASIS, CERTAIN PROVISIONS CALL FOR MULTILATERAL ACTION TO BE TAKEN AT THE UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE (ECE), LOCATED IN GENEVA, SWITZERLAND. AS IN PAST YEARS, THE COMMISSION PARTICIPATED IN 1989 IN THE PREPARATIONS FOR THE ANNUAL ECE PLENARY SESSION AND IN THE MEETING OF THE ECE'S COMMITTEE ON THE DEVELOPMENT OF TRADE. THIS TRADITIONAL COMMISSION INVOLVEMENT WAS BENEFICIAL IN STRESSING A CSCE VIEWPOINT IN A U.N. FORUM. COMMISSION STAFF WAS FULLY INTEGRATED INTO THE UNITED STATES DELEGATION AND DRAFTED STATEMENTS ON U.S. TRADE POLICY, COUNTERTRADE, AND EAST-WEST JOINT VENTURES AS WELL AS ASSISTED IN THE DEVELOPMENT OF NEGOTIATING STRATEGY DURING THE COURSE OF THE MEETING.

IT IS EXPECTED THAT THE COMMISSION WILL CONTINUE ITS MONITORING OF BASKET II WITH ADDITIONAL PUBLIC FOCUS ON EAST-WEST TRADE ISSUES AND THE ENVIRONMENT BOTH OF WHICH ARE ACQUIRING INCREASING IMPORTANCE WITHIN CSCE.

Exchanges

AN IMPORTANT COMPONENT OF THE COMMISSION'S MANDATE AS EXPLICITLY SET FORWARD IN ITS LEGISLATION IS THE ENCOURAGEMENT OF U.S. GOVERNMENTAL AND PRIVATE PROGRAMS TO EXPAND EAST-WEST ECONOMIC AND CULTURAL COOPERATION AND EXCHANGE OF PEOPLE AND IDEAS. IN FURTHERANCE OF THE COMMISSION'S MANDATE TO ENCOURAGE AND PROMOTE EXCHANGES THE COMMISSION INTENDS TO INAUGURATE A NEW PROGRAM BY

WHICH PUBLIC LEADERS FROM EASTERN EUROPE AS WELL AS FROM THE SOVIET UNION ARE INVITED BY THE COMMISSION TO COME TO WASHINGTON FOR BRIEFINGS AND A FIRST-HAND LOOK AT THE WORKINGS OF THE U.S. ELECTORAL PROCESS AT FEDERAL, STATE AND LOCAL LEVELS. THE COMMISSION BELIEVES THAT SUCH A PROGRAM REPRESENTS A CONCRETE METHOD BY WHICH THE GOALS OF THE FINAL ACT CAN BE FACILITATED AND PROMOTED BY THE COMMISSION. THE PROGRAM IS NOT INTENDED TO OPERATE AS AN EXCHANGE IN ITS TRADITIONAL SENSE INSOFAR AS U.S. POLITICAL LEADERS WILL NOT BE SENT BY THE COMMISSION TO THE COUNTRIES FOR FURTHER DISCUSSION. WHAT IS CONTEMPLATED IS A PROGRAM BY WHICH THE COMMISSION CAN MAKE AVAILABLE TO SOVIET AND EAST EUROPEAN POLITICAL LEADERS CONCRETE EXPERIENCE IN FORGING AND IMPLEMENTING THE TOOLS OF DEMOCRACY.

MILITARY SECURITY

MILITARY SECURITY IS AN AREA IN WHICH THE CSCE PROCESS PLAYS AN INCREASINGLY IMPORTANT ROLE IN EAST-WEST RELATIONS. A CONTROVERSY AMONG NATO ALLIES ON THE ROLE OF MILITARY SECURITY TALKS IN CSCE WAS RESOLVED WHEN THE ALLIES AGREED TO TABLE A PROPOSAL AT THE VIENNA MEETING THAT WOULD PLACE CONVENTIONAL FORCES NEGOTIATIONS "WITHIN THE FRAMEWORK" OF THE HELSINKI PROCESS. THE PROPOSAL WAS PUT FORWARD AT THE JULY 10, 1987 PLENARY OF THE VIENNA MEETING. THE PROPOSAL HAD BEEN THE SUBJECT OF LENGTHY INTRA-ALLIANCE NEGOTIATIONS OVER INSISTENCE BY FRANCE THAT ANY NEW CONVENTIONAL STABILITY TALKS BE CLOSELY LINKED WITH CSCE. ON DECEMBER 12, 1986, THE HALIFAX TASK FORCE ISSUED THE BRUSSELS DECLARATION, ACCORDING TO WHICH THE UNITED STATES AND ITS ALLIES EXPRESSED SUPPORT FOR HOLDING TWO SEPARATE AND DISTINCT NEGOTIATIONS ON A MANDATE FOR CONVENTIONAL FORCES REDUCTION AND TO BUILD UPON AND EXPAND THE CONFIDENCE- AND SECURITY-BUILDING MEASURES ADOPTED AT CDE. LATER AT A NATO MINISTERIAL MEETING IN REYKJAVIK DURING THE SPRING OF 1987, A COMMUNIQUE WAS ISSUED CALLING FOR CONVENTIONAL STABILITY NEGOTIATIONS WITHIN THE FRAMEWORK OF CSCE THOUGH SUCH NEGOTIATIONS WOULD RETAIN AUTONOMY AS REGARDS SUBJECT MATTER AND MODALITIES.

AFTER MORE THAN TWO YEARS OF DEBATE AND NEGOTIATIONS, THE VIENNA FOLLOW-UP MEETING CONCLUDED ON JANUARY 19, 1989, ALONG WITH THE SEPARATE PARALLEL NEGOTIATIONS AMONG THE 23 COUNTRIES NEGOTIATING A MANDATE FOR CONVENTIONAL FORCES REDUCTIONS IN EUROPE. IN THE MILITARY SECURITY FIELD, THE VIENNA CONCLUDING DOCUMENT CALLED FOR ADDITIONAL WORK ON CSBMs AND INCORPORATED THE MANDATE FOR CONVENTIONAL FORCES NEGOTIATIONS (CFE) TO BE HELD WITHIN THE FRAMEWORK OF CSCE. BOTH SETS OF TALKS WERE OPENED IN VIENNA IN MARCH 1989.

THROUGHOUT 1989 AND 1990, IN AN EFFORT TO FOLLOW MORE CLOSELY THE MILITARY SECURITY ASPECTS OF CSCE, THE COMMISSION AUGMENTED ITS RESOURCES DEVOTED TO MONITORING BASKET I AND PARTICIPATED WITH GREATER FREQUENCY AT HOME AND ABROAD IN BILATERALS, BRIEFINGS, AND

MEETINGS ON MILITARY SECURITY ISSUES. CO-CHAIRMAN HOYER ATTENDED THE MARCH 1989, OPENING SESSIONS AND HELD TALKS WITH U.S. HEADS OF DELEGATION TO THE CSBM AND CFE TALKS, JOHN MARESCA AND AMBASSADOR STEPHEN LEDOGAR. CONSULTATIONS BETWEEN THE COMMISSION'S CHAIRMAN AND CO-CHAIRMAN WITH HIGH RANKING U.S. GOVERNMENT OFFICIALS FROM THE DEPARTMENTS OF STATE AND DEFENSE WERE HELD. IN ADDITION, BILATERALS WITH AMBASSADORS FROM THE SOVIET UNION AND EASTERN EUROPE WERE HELD AT WHICH THE MILITARY SECURITY ASPECT OF HELSINKI WAS THOROUGHLY DISCUSSED.

THE COMMISSION CURRENTLY HAS ALLOCATED ONE STAFF EXPERT TO FOLLOWING THE MILITARY SECURITY ASPECTS OF CSCE. HOWEVER, THIS IS FREQUENTLY AUGMENTED BY THE PARTICIPATION OF THE COMMISSION'S STAFF DIRECTOR AND DEPUTY DIRECTOR IN THE VIENNA TALKS. THIS EFFORT SERVES ONLY TO COMPLETE THE MANDATE THAT THE COMMISSION WAS GIVEN AND THAT IS TO MONITOR ALL ASPECTS OF THE FINAL ACT. THE MILITARY SECURITY ASPECT OF EUROPEAN SECURITY IS VIEWED BY THE COMMISSION AS AN IMPORTANT ASPECT OF THE FINAL ACT. A BASIC TENET OF THE FINAL ACT IS THAT ALL OF ITS SECTIONS ARE OF EQUAL IMPORTANCE. NO ONE SECTION OF THE DOCUMENT IS TO BE EMPHASIZED AT THE EXPENSE OF ANOTHER, AND CONVERSELY, NO AREA IS TO BE IGNORED OR RELEGATED TO A LOWER STATUS. THUS, IN KEEPING WITH THIS BASIC PRINCIPLE, THE COMMISSION EXPECTS TO STEADILY INCREASE ITS MONITORING ACTIVITIES OF BASKET I.

CONCLUSION

THIS IS THE MANDATE OF THE COMMISSION FOR THE NEXT COUPLE OF YEARS. IT IS ONE WHICH THE COMMISSION AND ITS STAFF ARE COMMITTED TO CARRYING OUT.

HELSINKI II

Mr. SMITH. I listened as President Havel made the statements yesterday. I am not quite clear what he meant or what timetable he was talking about. He seemed to be saying, I think, that Helsinki Two had ought to be not only expanded but also held earlier.

Mr. HOYER. There is a provision in the Vienna mandate, that is, the document that was issued by the Vienna review conference that ended in January of 1989, for another review. As you know, there had been three review conferences held, in Belgrade in the '70s, in the early '80s in Madrid, which lasted for some period of time because of the differences between the Soviets and ourselves and East and West; and then most recently, the Vienna review conference which started in November of '87 and went to January of '89.

There is another conference scheduled for Helsinki for 1992. President Havel and many of the Europeans believe that a major review conference ought to be accelerated, perhaps as early as 1991, and that the institutionalization of the Helsinki process be made much more clear. In fact, in talking to Mr. Dientsbier, who is the foreign minister of Czechoslovakia, before the speech, his concept is that it would be an institutionalization to the extent of adding permanent staffing.

As you know, there is now no permanent staffing of the Helsinki process internationally. The conferences, of course, are staffed, but they are on an ad hoc basis.

EXPANDING THE HELSINKI PROCESS

Mr. SMITH. What would be the nature of the expansion?

Mr. HOYER. I think that would be subject to discussion. But I think there is a feeling, particularly by the Eastern Europeans, that they want to be folded into Europe. They do not see themselves as joining NATO, of course. They are not sure that the European Economic Community '92 wants to fold them in at this point in time. But they have been a part of a process which has been much broader than anybody perceived in 1975.

Mr. SMITH. That would not deal with model provisions for constitutions or things like that then?

Mr. HOYER. I do not preclude that, Mr. Chairman, because there may be discussions. Not necessarily the model constitutions, but certainly there continues to be a focus on the principles that were adopted in the Helsinki Final Act as being the basis for both statutory and constitutional law in constituent states.

Now, as you well know, that document pretty well reflects, as Havel indicated yesterday, the values set forth by us in the Declaration of Independence and our Constitution and the accompanying Bill of Rights. So, I think they see an expanded process in which there will be in effect this umbrella, which is known as the Conference on the Helsinki Process, folding in both East and West in existing structure in which there is already an integrated participation by all these nations. And therefore, they are interested in expanding it to make sure that there is this European whole.

Mr. SMITH. It was not clear at all. You raise some very interesting things. I almost thought the way it was stated—and I went back and read the speech, read the provisions, and I could not quite get it out of there either. I thought he was almost saying that it could be used as a tool for developing model provisions for constitutions or ideas.

Mr. HOYER. I think he is in fact saying that, Mr. Chairman, to the extent that he believes the principles enunciated in the Helsinki Final Act. I do not think the Soviets ever conceived that at all, or Brezhnev would not have signed the document. Brezhnev signed it personally, of course, in Helsinki along with President Ford. They did not have any conception that those principles which were articulated in 1975 were going to be any different than the Universal Declaration of Human Rights adopted in 1948 by the United Nations. Nice words. Sound good. But are not going to have any effect.

In fact, what happened in 1975, because a process was established for an international forum with 35 nations participating, we frankly had beaten the living daylights out of the Soviets and other Eastern European nations in those forums, not only in the review conferences in Belgrade, Madrid and Vienna but in the experts meetings, as you know, that occurred. These are smaller in scope and more particularized in terms of their subject matter. What Havel is saying is that we need to continue to have this international forum and have it expanded so that the values for which Havel spoke and gave us much of the credit for as being the principal defenders and proponents of, he believes can be effected in ensuring that there is not regression and in fact expansion of those human rights.

FY 1990 BUDGET

Mr. SMITH. Then my final question has to do with carryover funds and how any stepped-up activity might affect it. You are anticipating, as I understand it in your budget, a $14,000 carryover from 1989 to 1990?

Mr. HOYER. Yes, sir.

Mr. SMITH. Would these stepped-up activities come into fiscal year 1990 or they would be in 1991?

Mr. HOYER. Fiscal 1990, we are already experiencing an increased demand for our advice and counsel. For instance, we are getting a lot of calls from private business. One of the focuses, of course, of the Helsinki Final Act in the second basket is economic, technological. As Walesa said, one of the things he wants is not just for us to send money to them; he wants expertise over there. How do you run a local little bank? How do you organize it? How do you market? How do you distribute your products?

Mr. SMITH. Does this organization get into that?

Mr. HOYER. It would. Specifically, one of our oversights is the economic interrelationship of nations. What we are finding is for instance—as you know, we have a tremendous language facility. We have people on our staff, a small staff, as you know, fifteen people, who speak almost every language of Eastern Europe. We have four people who speak Russian on our staff, and virtually every other Eastern European language. And we monitor the politics, the economics and the social developments on a daily basis;

review all the periodicals and newspapers; and in fact, interface with Voice of America, USIA and others. So, businesses are calling us up, as well as cultural groups that want to have expanded interface, another provision in the Helsinki Final Act, asking us for advice and counsel, asking us for advice as to where they should go and who they ought to see, and what they can do to have their visit more effective, or what they can do to make the visit of somebody they are receiving from one of the Eastern European countries more interesting in terms of what their specific interests are.

So, we are experiencing right now a demand. Now, 14,000, obviously, and eight hundred and fifty-six, that hopefully shows prudent fiscal management. I am one of those, I have run for office since 1966. I have never run a deficit in any campaign I have ever run and do not ever intend to, and certainly do not intend to do it here.

Initially when I came on, of course, the Helsinki process was pretty frozen. I kid Dante Fascell and say: you were chairman of the Helsinki Commission for 9 years and nothing happened in Eastern Europe. In 1985 I became chairman, and look what has happened since then. The fact that Gorbachev came at the same time, of course, is incidental, right?

In any event, we are now at really a full operating budget. In order to accommodate this growing demand, we are going to have to have two additional staffers or just not be able to respond.

We think it is an opportunity for us to now really have a full vigorous interface with these Eastern European nations which have been closed out in the past and really involve them.

Mr. SMITH. Mr. Early?

Mr. EARLY. Thank you, Mr. Chairman.

I just want to congratulate you and the Commission on the Commission's involvement in human rights. A lot of the specific cases and issues that you got involved in, that you brought to those meetings were, I think, really constructive and productive.

Mr. HOYER. Thank you.

FY 1991 BUDGET REQUEST

Mr. EARLY. On the $20,000 for other services, the two items——

Mr. HOYER. The two items, the $4600 additional for GAO; you know, they do our accounting work. They have been charging us $4600 more for this coming year's services. They just billed us for that to cover the expense. And the fourteen thousand——

Mr. EARLY. You are that financially secure that they just tell you that they want $4600?

Mr. HOYER. I do not know that we have the option to tell GAO that we are not going to pay them. I guess we could.

Mr. EARLY. You were just going through a financial expert here as far as——

Mr. HOYER. Well, if this committee will take my certification that we do everything right, but that is a little bit like the S&Ls. We do not want to do that. We do not have GAO looking over our shoulder and making sure we are doing the right thing.

Mr. EARLY. And what is the other?

Mr. HOYER. The $14,000 I mentioned, oh—as you know, the leadership, Speaker Wright and the majority leader then, Majority Leader Byrd, actually, in '86, designated the Helsinki Commission to interface with the Soviet Union on human rights and Helsinki Final Act issues. We are exchanging visits. That is now an expanded process. The Soviets were here. We are going to be in the Soviet Union in December or late November of this year. And we have a pretty broad agenda. That figure covers additional services such as simultaneous interpretation, which makes the meeting go a lot faster.

Mr. EARLY. Thank you, Mr. Chairman.

Mr. SMITH. Mr. Kolbe?

Mr. KOLBE. Thank you, Mr. Chairman.

Mr. Chairman, welcome.

Mr. HOYER. Thank you.

Mr. KOLBE. I join with my colleagues in congratulating you on the outstanding job your Commission has single-handedly done in bringing about this massive change.

Mr. HOYER. I want to get the record of this hearing.

Mr. KOLBE. I am sure you are pleased to know you are single-handedly responsible.

Mr. HOYER. Let me tell you one of the ironies is that very few of my constituents are Eastern Europeans or Jews, which are the major interest groups that are interested in the commission's work.

Mr. KOLBE. They are not even aware of the co-chairmanship.

Mr. HOYER. My administrative assistant said this is not a major interest of my constituents but it obviously is more——

Mr. KOLBE. Yes, I understand that, and I appreciate the work that you have done.

Let me ask you a philosophical question. With the changes taking place, I see that we have an increase of two positions. One of them is replacing somebody else who has been on loan, a press person.

Mr. HOYER. The USIA position, yes.

Mr. KOLBE. Can you give me the reason they are not willing to continue?

Mr. HOYER. Let me tell you, they really have not indicated that. The person that we have now is really good. Unfortunately, we understand that USIA is phasing out its non-reimbursable loan personnel; and we anticipate she will not be replaced. Therefore, we expect to hire someone from our own budget.

USIA wants to rotate her in the normal cycle, and that makes sense.

THE FUTURE OF THE COMMISSION

Mr. KOLBE. My question really goes to the issue of whether or not the changes taking place, the openness that we are seeing in Eastern Europe, the more ease perhaps with which we can at least get information about human rights questions, whether or not you see anytime in the future that this Commission will be able to put itself out of business or to reduce?

Mr. HOYER. I think the answer to that is no, in one sense. Maybe ultimately yes, but at least initially no. Because what really has happened is, one of the reasons—you were not on the committee, nor was I, in the early '80's—after the Vienna review conference of 1983 ended, you saw a downgraded activity. That is because Eastern Europe and the Soviet Union were really in effect closed. I led a delegation to the Soviet Union in November of 1988. It was the first time the Helsinki Commission had been allowed into the Soviet Union as the Helsinki delegation. The individual members had gone, obviously, Dante Fascell had gone. But with that opening up and the ability to review, really the workload has increased. The human rights progress that has been made has been substantial.

But if we were deluded now, which is one of the reasons I agree with the President's caution in some of these areas, if we were deluded to believe that in effect, all of a sudden overnight, the human rights rhetoric that we are now hearing, which we did not historically hear, is in fact reality on the ground, I think we would be deluding ourselves. So, I think the ongoing monitoring is very important. I think the whole concept of Helsinki was, look, maybe in the 1930s, we did not have anybody going to Germany; we did not really have anybody watching; we sort of pretended that was somebody else's business. And in fact it was somebody else's business that ultimately involved the whole world in the world's greatest conflagration.

I think the Helsinki process was designed not to let that happen again. I think, although we are making some progress, there is still much to be done. As a matter of fact, Mr. Chairman and Mr. Kolbe, what I would really like to see us do, is expand the Helsinki process to the Far East, where we find some of the most egregious human rights violations.

Mr. **Kolbe**. Does the charter allow this?

Mr. **Hoyer**. No, no, the charter does not. And I am not even saying the Helsinki Commission per se would do it. What I am saying is this concept may well be applied to other areas.

Mr. **Kolbe**. The process.

Mr. **Hoyer**. Yes.

Mr. **Kolbe**. I understand.

Mr. **Hoyer**. Also, let me add, if I can, Jim, the second basket of the Helsinki Final Act deals with economic, scientific, technological, environmental questions.

Mr. **Kolbe**. That is right.

Mr. **Hoyer**. We really have not given those very great consideration, because there really was not a whole lot of economic relations. We had sanctions. We did not really want to have an economic interface. As we are moving ahead on security, substantial progress was made. As a matter of fact, Mr. Chairman, the Stockholm agreement of 1986 on verification procedures for security-building measures was in many ways a first breakthrough of the Soviets agreeing to monitoring in country and was the basis for the INF monitoring, which ultimately broke the logjam, and which got us to an agreement on the INF shortly thereafter.

We are moving ahead on security. We obviously are moving ahead on human rights. But we think this second basket, as I said, of the business community, Walesa saying that is what he wants, and really we want to get in there, because of tremendous investment. The problem with some of our businesses, is they are looking for short-term profit.

Mr. KOLBE. Just one more question.

You just raised a whole new issue; I would really like you to explore it. I agree that, now that we have made the kind of breakthrough in Eastern Europe, the environmental and trade issues are going to take on a much greater importance and much more of our time and resources. How do you see the Commission interfacing? In the case of human rights it was clear that was a very specific Commission charter. It was clearly not something that overlaid anybody else's responsibility. But we have other agencies that have very specific responsibilities for taking the lead on trade issues, for example, the USTR.

How does this Commission see itself playing a role with those other agencies of the executive branch?

Mr. HOYER. Let me tell you specifically. The Commission, first of all—you may not know this—is not just a legislative commission. It is a legislative/executive commission.

Mr. KOLBE. Right.

Mr. HOYER. It is composed of nine members—Three executive. But the three executives are important: Defense——

Mr. KOLBE. Commerce——

Mr. HOYER. Commerce——

Mr. KOLBE [continuing]. And State——

Mr. HOYER [continuing]. And State. Why? Because the baskets deal with security, economics and human rights. State obviously has the Assistant Secretary of State for Humanitarian Concerns. Dick Schifter is a member of our Commission. We now have a full complement of representatives.

All three of them went with us when we went to the Soviet Union in November of 1988. Ron Lehman, who is now at the Arms Control Agency, was then at Defense, was with us.

We do not have either legislative responsibility and clearly no executive responsibility. What we do have, Jim, is real expertise starting in 1976 with the staff, a totally nonpartisan staff, not political, which has a tremendous knowledge of Eastern Europe: politics of Eastern Europe, human rights, economic, social structure, cultural structure of Europe. What we are is a resource. And the act does not limit us. Our major focus is on human rights. That was our major objective and still continues to be.

The law that was passed asks us to, and mandates us to oversee the implementation of the Final Act, not just the human rights part of it, but the economic and security aspects as well. Which is why the Commission was a part, for instance, of the delegation in Vienna. Sam Wise, the executive director, was the number two, appointed by President Reagan, and given ambassadorial rank on our Vienna delegation. So, the Commission is perceived by the Executive as very much complementary.

As a matter of fact, this is one of the joys of the Commission; it is totally nonpartisan. We just do not work in a partisan fashion.

Mr. KOLBE. Do you see your staff in the negotiating business?

Mr. HOYER. No, no, not at all, you are right. Our function is, first of all, to oversee the principles of the Final Act, which try to encourage security and cooperation in Europe. Canada and the U.S.

are included within that phrase Europe, under the act. It is to facilitate the communication, not to negotiate either arms control agreements, security agreements, or to negotiate economic agreements. You are correct. That is absolutely in the purview of the executive department.

But we are to advise and counsel, and we get inquiries from Members of Congress and from other committees: what do you think about this? Obviously, Ways and Means, their subcommittee, Sam Gibbons' subcommittee has legislative responsibility, for instance, for MFN. But we are very much involved in the MFN's concern about emigration, because that is very directly a focus, and human rights reforms. So, we would advise. And we do testify before Gibbons' subcommittee each time MFN comes up with respect to any of the countries that do not have it. So, that is our role, adviser.

Mr. KOLBE. Thank you.

Thank you, Mr. Chairman.

Mr. SMITH. Mr. Dwyer?

FY 1991 BUDGET ESTIMATE

Mr. DWYER. Thank you, Mr. Chairman.

Steny, the amount of $991,000, is that the amount you requested of OMB?

Mr. HOYER. Yes.

Mr. DWYER. It is?

Mr. HOYER. And that is the amount they gave.

Mr. DWYER. So that was your original request?

Mr. HOYER. Yes. It is what we thought we needed.

Mr. DWYER. I guess you submitted that figure to OMB before everything started to break so rapidly in——

Mr. HOYER. No, things were breaking—when did we submit that? Christmas. So, you know, 1989. And we knew what was going, and we tried to keep it.

Mr. DWYER. You have my congratulations, particularly for your clairvoyance in becoming the co-chairman at this time in history.

Mr. HOYER. Timing is everything, right?

Mr. DWYER. That is show bizz.

Thank you, Mr. Chairman.

Mr. HOYER. Thank you, Mr. Chairman, very much.

Mr. SMITH. Thank you, Steny, for your testimony today.

[The following questions from Chairman Smith were submitted to be answered for the record:]

Questions Submitted for the Record

Changes in Eastern Europe

Q. Based on the extraordinary changes that have taken place in Eastern Europe over the last year, what changes do you see taking place for the Commission and the Helsinki process in the long term?

A. A debate is currently underway among the 35 Helsinki states regarding the future of the Helsinki or CSCE process. The Helsinki '90 Summit scheduled for later this year will focus on the issue of whether or not CSCE should be institutionalized and if so how. Whatever the outcome of the Summit, everyone seems agreed that the CSCE process will play a greater role in the future as the "New Europe" takes shape.

As the Commission's traditional focus - human rights and human contacts - continues to show improvement throughout the Soviet Union and Eastern Europe, we are now able to shift some of our attention to other areas.

We plan to focus on observing parliamentary elections; providing advice upon request to the new parliaments; furthering our efforts on self-determination of peoples and multi-party democracy in the East as well as fostering economic opportunities for U.S. businessmen. Assuming these trends continue, we project a much more active CSCE process in which the Commission will play a role. The scope of activities we expect could run the gamut of activities from human rights to economic cooperation to military detente and parliamentary exchanges.

Q. What has been the immediate impact of the recent events on the Commission's workload?

A. The most immediate impact on the Commission's workload has been the effect of the newly instituted electoral process currently underway in the Soviet Union and Eastern Europe.

The Commission has been very vocal in advocating free elections and played a strong role in drafting the free elections proposal which was introduced by Co-Chairman Hoyer on behalf of the U.S. delegation during the Paris Human Dimension Conference in July, 1989.

In keeping with this theme, Commission staff and members, when possible, are travelling to many of the Soviet Republics and all of the Eastern European countries to be present during their scheduled elections.

In addition, as mentioned above, the Helsinki process as a whole is being reviewed by all of the participating countries to determine if it should be restructured and if so how. Preparations for a Helsinki Summit later this year are beginning now and the Commission will be actively involved in the debate regarding the future of CSCE. It is anticipated that the Summit will result in an agreement to hold extensive preparatory meetings in 1991 leading up to the full Helsinki Review Conference in 1992. These preparatory meetings will be in addition to the already agreed upon Vienna follow-up meetings of which there will be three this year and three in 1991. The Commission has been and will continue to be fully active on the U.S. delegations to these meetings.

When combined with the full 1990 roster of hearings, member briefings, reports and the Commission's casework, the events of the past year have resulted in an increased workload which is already straining the Commission's current resources.

Commission Accomplishments

Q. Please briefly describe for us some of the Commission's specific accomplishments in fiscal year 1989.

A. The Commission engaged in a variety of activities consistent with its mandate to monitor and encourage compliance with the Helsinki Final Act. The Commission conducted 8 hearings during 1989 on various CSCE-related issues. Among the issues covered by expert witnesses at these hearings were the Vienna Review Meeting and the Negotiation on Conventional Armed Forces in Europe (CFE); Abuse of Psychiatry in the Soviet Union; Human Rights in Eastern Europe and the USSR; Changing Soviet Society under Glasnost; Environmental concerns; and the Baltic States and self-determination.

The Commission hosted a delegation of Soviet parliamentarians as part of an on-going process to develop closer ties with officials directly involved in CSCE matters. An extensive program was developed by the Commission to provide the Soviet officials with a better understanding of American democratic institutions. Bilateral meetings were held to review specific human rights issues and cases. This meeting with the Supreme Soviet delegation is in accordance with the mandate of the leadership of the House and Senate designating the Commission as the congressional mediary on human rights questions.

In addition to hearing reports, the Commission issued reports on developments in the Baltic States; Human Rights in Romania; and reports on CSCE follow-up activities.

The Commission sponsored delegations to Vienna in conjunction with the opening of military negotiations; to Paris for a meeting of the Conference on the Human Dimension (CDH); to Hungary to meet with Hungarian leaders in connection with the Raoul Wallenberg Human Rights Assembly where Co-Chairman Hoyer served as the keynote speaker; to Turkey to assess the status of human rights; to Bulgaria to study the treatment of the ethnic Turkish minority; and to Poland and Berlin to observe the radical political changes.

Commissioners and Commission staff played an active role at CSCE follow-up activities. These included the Vienna Review Meeting, the London Information Forum, the Paris Conference on the Human Dimension, the Sofia Environmental Meeting, and the Vienna security talks.

Q. In fiscal year 1990, I understand that you are planning trips to Eastern Europe and the Soviet Union to observe upcoming elections. Could you tell us more about these trips as well as other Commission activities in 1990?

A. At the end of February 1990, the Commission staff launched a project to monitor the first free elections in the Soviet Union and Eastern Europe. These elections mark a significant step forward to the exercise of self-determination as envisioned in the Helsinki Final Act fifteen years ago.

Two staffers travelled to Lithuania and Moldavia where they interviewed representatives of political parties and movements, as well as voters participating in these elections. Their timely, detailed reports describing the transition to democracy in these republics were published during the first week of March. Staffers plan similar trips and reports on the elections in the Russian Republic, Ukraine, Latvia, Estonia, Georgia, and the six countries of Eastern Europe. These reports will be distributed to the Congress, the American press and non-governmental organizations. At the end of the elections period the Commission will issue a composite survey of these historic landmarks in the history of Europe, the Soviet Union and the CSCE. Commission trips to East Germany and Lithuania are also planned for election observing.

In April 1990 the Commission also plans an unprecedented human rights mission to Yugoslavia. On that trip, the Commission delegation will also meet with official and unofficial representatives in Romania and Bulgaria, and will investigate the situation of refugees from the East in Italy. The Commission also plans a return visit to the Supreme Soviet in Moscow.

Commission staff will participate in the three follow-up meetings scheduled during 1990 as well as prepare reports on the events of each meeting upon their conclusion. As always, the Commission has scheduled a number of hearings on issues ranging on the status of Soviet Jewry to the future of human rights, economic and military issues in Europe and the Soviet Union.

The Commission is also engaged in monitoring various domestic compliance issues and is currently preparing a report on homelessness in the United States and the international right to shelter. The Vienna Concluding Document specifically links social and economic rights with civil and political liberties necessitating that the Commission maintain numerous files on social and economic issues in the United States and other Western nations.

During 1990 the Commission will begin work on a two-part series report on trade. The first report will be issued in late 1990 and will cover the issue of trade with the Soviet Union. Part two will address trade with Eastern Europe. The Commission plans to release part two during the first half of 1991.

Q. Your written testimony mentions the Commission's work in monitoring not only follow up sessions on the Vienna meeting, but also monitoring activities under "Basket II" of the Act dealing with East-West economic and environmental concerns.

a. Will this be an area of increased activity in fiscal year 1991?

A. With political reforms well underway in Eastern Europe and the Soviet Union, Basket II issues are now becoming areas of increasing focus. In the area of economic cooperation, Commission Chairman Dennis DeConcini will attend the opening of the Bonn Economic Conference which begins March 19 and ends on April 11. Commission staff have been actively working with the State Department, to prepare for the Conference and will be full participants as usual on the U.S. delegation to this first major economic conference in CSCE.

In addition to holding a trade hearing this spring, the Commission will be expanding its contacts with Basket II Non-Governmental Organizations (i.e. the business community) in an effort to keep abreast of their activities in the countries of Eastern Europe and the Soviet Union. As these countries make the transition to more market-oriented economies, it will be important to monitor and evaluate the extent to which they are complying with their Basket II commitments.

The Commission intends to visit joint ventures in the Soviet Union and Eastern Europe as well as to canvass the business community in the U.S. A report on our findings will be issued. Commission staff will also become more involved in Commerce working groups and bilateral trade councils. In order to expand our staff resources within our limited budget, the Commission is exploring the possibility of a Commerce Department employee joining the Commission staff through the "loan" program as we do with the State Department.

b. Have you seen any increased emphasis on environmental problems within the participating countries in light of the worldwide emphasis on global climate change?

A. There is an increased emphasis on environmental problems in CSCE but this has been a natural development and is not related so much to global climate change as to the absence of environmentally sound industrial development policies in the governments of the Warsaw Pact countries. This has resulted in very serious overall pollution in Eastern Europe and the Soviet Union. Also, last year's Sofia environmental conference sparked new interest within CSCE in environmental matters.

Additionally, U.S. environmental NGOs such as Friends of the Earth and the Sierra Club have taken an increased interest in East-West environmental issues and the environmental crisis many Eastern European states are in. Many of these NGOs are in contact with Commission staff and are making suggestions for Commission work in this important area.

Carryover Funds

Q. Your justification materials indicate a carryover of $14,000 of fiscal year 1989 funding into fiscal year 1990. Under which object classifications did these unobligated balances occur? (i.e., personnel costs, supplies, etc.)

A. The unobligated balances occurred in the category of personnel costs. The Commission anticipated the cost of hiring a press officer at the end of July 1989; however, the U.S. Information Agency extended the contract of their employee, a foreign service officer, by one year.

Q. Since the Commission has consistently carried over funds each year, why does your budget justification not show any carryover into 1991?

A. The FY91 budget does not project any carryover funds because of the high costs associated with the Supreme Soviet visit hosted by the Commission in November 1989. One reason for the high costs was due to our hiring interpreters and the rental of simultaneous interpreting equipment through the Department of State. The Commission had anticipated paying a small sum for both the interpreters and equipment; however, since the visit coincided with the Malta Summit, most of the interpreters and equipment usually available through the State Department, were already in use in Malta. Because the State Department did not have any staff interpreters or equipment available, we had to contract out to other firms to obtain the manpower needed for our program.

Additionally, the high cost of supplies needed to prepare for the CSCE Follow-Up meetings scheduled during this fiscal year combined with the support costs of the Commission's staff delegations at each of the meetings is another reason we do not reflect a carryover amount from FY90 into FY91. Commission staff attendance at the Follow-Up meetings has cost the Commission a substantial sum in office supplies and communication via telephone and fax machine. Added to this amount are costs associated with reports and congressional briefings scheduled at the close of each meeting. During FY90 the Commission plans to hold approximately 10 congressional hearings. Once again, the costs associated with the briefing materials prepared for each hearing will also cost a considerable sum in xerox paper.

Q. Please provide for the record an object classification comparison table reflecting data for 1989 actuals, 1990 current estimates and your 1991 budget request.

	FY89	FY90	FY91
Salary	517,542	566,000	656,000
Benefits	126,100	136,000	157,000
Travel	2,800	3,000	3,000
Rent/Comm.	17,700	20,000	20,000
Printing	1,233	2,000	2,000
Other Srv.	77,400	110,000	130,000
Supplies	30,300	15,000	22,000
Equipment	1,324	1,000	1,000
TOTALS	$774,399	$853,000	$991,000

Additional Staff

Q. You are requesting the funds to hire two additional staff in fiscal year 1991 -- one press officer and an additional staff person to deal with Soviet Affairs. As I recall, you made a similar request last year. Were you not able to hire any additional staff in fiscal year 1990?

A. The Commission did hire a military specialist in January 1990. The individual is currently representing the Commission at the CSBM talks in Vienna, Austria.

At the time that the FY90 budget estimates were prepared, the Commission anticipated the hiring of a press officer during July 1989. As you may recall, the position was originally filled by a Foreign Service Officer on loan from the U.S. Information Agency. Since the FSO was to be with our staff for only one year, we anticipated the opening. In July 1989 USIA agreed to extend her stay for another year. However, we will be forced to hire a press officer in July 1990 - 10 months into FY90. Since we anticipate carrying a press officer on our staff during FY91 we requested additional monies to cover this position.

Q. Your justification materials indicate that your current press officer is on loan from USIA, but that the arrangement with USIA will not continue.

a. Is this person still on board at the Commission, and when do you expect the arrangement will terminate?

A. She is still on board; however, the arrangement will terminate effective July 1, 1990.

b. Did the Commission reimburse USIA for any of the salary costs of the press officer?

A. No, the Commission did not reimburse USIA for the salary costs.

c. Have you pursued the possibility of finding a similar arrangement for a replacement for the press officer -- or, for that matter, any other positions on the Commission's staff?

A. Regrettably we will not be able to continue our participation in the USIA personnel loan program. We have just been advised by USIA that it is prohibited by Congress for USIA personnel to influence or work with U.S. domestic media. This restriction was only brought to our attention recently due to an internal review by USIA of their personnel loan program. The Commission has had officers on loan from the Department of State and has recently requested an individual from the Department of Commerce to cover expanded activities in Basket II.

Personnel received on loan mostly stay for a period of 6 to 12 months and work on specific projects. Given the rapidly increasing workload of the Commission, these personnel are only a partial solution since they do not provide the expertise the Commission needs over the long run.

Personnel Compensation/Consultants

Q. Part of your requested increase under personnel compensation is designated for a "one-time across-the-board" salary increase. Is this the equivalent of the proposed 3.5% pay increase being proposed for Executive branch agencies?

A. The requested increase for a one-time across-the-board salary increase is the equivalent of a proposed 5% pay increase for staff members. This reflects the annual cost-of-living adjustment and provides for a discretionary merit pay raise for deserving individuals.

Q. Some of the Commission's staff -- including the Staff Director -- are paid as consultants. Will these consultant salaries be adjusted on a similar scale?

A. The consultant compensation is not adjusted annually. In fact, the Commission's staff director had been at the same rate of compensation from the time he was originally hired in July, 1984 until an adjustment was made in June 1989. It is expected that his compensation will be adjusted from time to time in the future in accordance with comparable compensation trends.

The compensation for the two other consultants contracted by the Commission, R. Spencer Oliver and Frederick T. Merrill, Jr. may also be adjusted. Mr. Oliver has served as the Commission's senior consultant at the same rate of pay since May 1986.

The Commission has found the arrangement with our consultants to be cost-effective because we do not have to pay any benefit costs. The Commission has also been able to utilize the knowledge and expertise of both the staff director and senior staff consultant as both have been with the Commission since its inception in 1975.

Q. Could you provide for the record a more complete breakdown of the $92,200 for consultant fees under the Other Services object classification?

A. Of the $92,200 obligated in this category, $58,000 is the compensation for the staff director, $10,200 is the compensation for the Commission's senior consultant and $24,000 is for the Commission's professional writer.

THURSDAY, FEBRUARY 22, 1990.

UNITED STATES INFORMATION AGENCY

WITNESSES

BRUCE S. GELB, DIRECTOR

EUGENE P. KOPP, DEPUTY DIRECTOR

RICHARD CARLSON, ASSOCIATE DIRECTOR FOR THE VOICE OF AMERICA

HENRY E. HOCKEIMER, ASSOCIATE DIRECTOR FOR MANAGEMENT

WILLIAM P. GLADE, ASSOCIATE DIRECTOR FOR EDUCATIONAL AND CULTURAL AFFAIRS

MICHAEL PISTOR, COUNSELOR

MARTHA JOHNSTON, DIRECTOR, OFFICE OF CONGRESSIONAL LIAISON

STANLEY M. SILVERMAN, AGENCY BUDGET OFFICER

Mr. SMITH. The next item we will consider is the fiscal year 1991 budget request for the United States Information Agency. The total request for USIA is $986,708,000. This is an increase of $59,850,000 over the amounts currently made available for USIA for fiscal year 1990.

It breaks down into: $643,529,000 for salaries and expenses; $4,123,000 for inspector general; $154,330,000 for educational and cultural exchange programs; $124,657,000 for radio construction; $15,069,000 for radio broadcasting to Cuba; and $20,000,000 for the East-West Center; and $25,000,000 for the National Endowment for Democracy. We will insert the budget justification submitted in support of this request at this point in the record.

[The justifications follow:]

United States Information Agency
Summary of Positions and Appropriations, 1989-1991
(funds in thousands)

	1989 Appropriation		1990 Anticipated Appropriation 1/		1991 Estimate		Difference	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
Operating and Special Program Accounts:								
Salaries and Expenses:								
Comparative Basis	8,922	616,869	8,615	614,275	8,513	643,529	-102	29,254
Comparative Transfers (State and OIG)	50	3,478	--	20,834	--	--	--	-20,834
Subtotal, Salaries and Expenses, Appropriations and 1991 Request	8,972	620,347	8,615	635,109	8,513	643,529	-102	8,420
Educational and Cultural Exchanges	--	150,040	--	154,330	--	154,330	--	--
Radio Broadcasting to Cuba	101	11,175	101	12,537	101	15,069	--	2,532
Office of the Inspector General:								
Comparative Basis	50	3,478	50	3,624	55	4,123	5	499
Comparative Transfer from S&E	-50	-3,478	--	--	--	--	--	--
Subtotal, Office of the Inspector Appropriations and 1991 Request	--	--	50	3,624	55	4,123	5	499
East-West Center Program	--	20,000	--	20,430	--	20,000	--	-430
National Endowment for Democracy Program	--	15,800	--	16,771	--	25,000	--	8,229
Subtotal, Operating and Special Program Accounts	9,153	817,362	8,846	842,801	8,749	862,051	-97	19,250
Radio Construction Account:								
Radio Construction Activity	--	57,500	--	68,166	--	106,557	--	38,391
Television Broadcasting to Cuba	3	7,500	159	15,891	159	18,100	--	2,209
Subtotal, Radio Construction Account	3	65,000	159	84,057	159	124,657	--	40,600
Total, USIA:								
Comparative Basis	9,156	882,362	9,005	906,024	8,908	986,708	-97	80,684
Comparative Transfers	--	--	--	20,834	--	--	--	-20,834
Total Appropriations and Request	9,156	882,362	9,005	926,858	8,908	986,708	-97	59,850

1/ Section 614 of USIA's Appropriation Act for 1990 (P.L. 101-162) provides that funds appropriated to the Agency may be obligated and spent at a rate not exceeding the appropriations available for 1989. As this document goes to print, the Agency is observing this limitation. However, in accordance with Administration policy, the estimates in this column -- and elsewhere in this document -- assume the repeal of this provision and the imposition of a partial-year 1990 sequester totalling $7,292,000 in accord with the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

Analysis of Positions by Organizational Element - Fiscal Years 1989, 1990, and 1991

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
OVERSEAS MISSIONS				
East Asia and Pacific				
Domestic	22	22	21	-1
Overseas American	98	98	96	-2
Foreign National	555	546	529	-17
Total, East Asia and Pacific	675	666	646	-20
Africa				
Domestic	25	25	25	0
Overseas American	89	89	87	-2
Foreign National	376	376	365	-11
Total, Africa	490	490	477	-13
North Africa, Near East, and South Asia				
Domestic	22	22	22	0
Overseas American	119	117	110	-7
Foreign National	710	703	700	-3
Total, North Africa, Near East, and South Asia	851	842	832	-10
American Republics				
Domestic	21	21	21	0
Overseas American	129	129	123	-6
Foreign National	549	544	541	-3
Total, American Republics	699	694	685	-9

Analysis of Positions by Organizational Element - Fiscal Years 1989, 1990, and 1991

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
OVERSEAS MISSIONS, CONTINUED				
West Europe				
Domestic	16	16	16	0
Overseas American	146	145	143	-2
Foreign National	595	578	566	-12
Total, West Europe	757	739	725	-14
Soviet Union and East Europe				
Domestic	13	13	13	0
Overseas American	68	69	67	-2
Foreign National	170	169	160	-9
Total, Soviet Union and East Europe	251	251	240	-11
World-Wide Complement				
Overseas American	179	180	186	6
Total, Overseas Missions				
Domestic	119	119	118	-1
Overseas American	828	827	812	-15
Foreign National	2,955	2,916	2,861	-55
Total, Overseas Missions	3,902	3,862	3,791	-71
VOICE OF AMERICA				
Domestic	1,970	1,848	1,848	0
Overseas American	119	110	110	0
Foreign National	696	682	682	0
Total, Voice of America	2,785	2,640	2,640	0

Analysis of Positions by Organizational Element - Fiscal Years 1989, 1990, and 1991

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
TELEVISION AND FILM SERVICE				
Domestic	363	334	325	-9
EDUCATIONAL AND CULTURAL AFFAIRS				
Domestic	396	385	385	0
Overseas American	22	22	22	0
Foreign National	13	13	13	0
Total, Educational and Cultural Affairs	431	420	420	0
PROGRAM COORDINATION, PRODUCTION, AND SUPPORT				
Domestic	419	400	388	-12
Overseas American	10	10	10	0
Foreign National	165	153	153	0
Total, Program Coordination, Production and Support	594	563	551	-12
AGENCY DIRECTION AND MANAGEMENT				
Office of the Director	65	62	60	-2
Office of Public Liaison	19	18	17	-1
Office of the General Counsel	42	41	40	-1
Office of Congressional Liaison	6	6	6	0
Office of Research	55	51	51	0
U. S. Advisory Commission on Public Diplomacy	5	5	5	0
Bureau of Management:				
Domestic	648	606	600	-6
Overseas American	6	6	6	0
Foreign National	1	1	1	0
Total, Bureau of Management	655	613	607	-6

Analysis of Positions by Organizational Element - Fiscal Years 1989, 1990, and 1991

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Total, Agency Direction and Management				
Domestic	840	789	779	-10
Overseas American	6	6	6	0
Foreign National	1	1	1	0
Total, Agency Direction and Management	847	796	786	-10
TOTAL, SALARIES AND EXPENSES APPROPRIATION				
Domestic	4,107	3,875	3,843	-32
Overseas American	985	975	960	-15
Foreign National	3,830	3,765	3,710	-55
Total, Salaries and Expenses Appropriation	8,922	8,615	8,513	-102
OFFICE OF THE INSPECTOR GENERAL				
Domestic	50	50	55	5
RADIO BROADCASTING TO CUBA				
Domestic	181	181	181	0
TELEVISION BROADCASTING TO CUBA				
Domestic	3	159	159	0
COMBINED GRAND TOTAL:				
Domestic	4,341	4,265	4,238	-27
Overseas American	985	975	960	-15
Foreign National	3,830	3,765	3,710	-55
Grand Total	9,156	9,005	8,908	-97

UNITED STATES INFORMATION AGENCY
STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS

	Salaries and Expenses	Educational & Cultural Exchange Programs	Radio Broadcasting to Cuba	Office of the Inspector General	East-West Center	National Endowment for Democracy	Radio Construction	Total
1989 Appropriations as Enacted (P.L. 100-459)............	$620,347,000	$150,040,000	$11,175,000	—	$20,000,000	$15,800,000	$65,000,000	$882,362,000
1990 Appropriations:								
As Enacted After Anticipated Repeal of Section 614 of P.L. 101-162 (note 1)..............................	638,569,000	160,300,000	12,700,000	3,675,000	20,700,000	17,000,000	85,000,000	937,944,000
Adjustments to Reach Anticipated 1990 Appropriation:								
1. Technical Adjustment to Conform Amount Contained in P.L. 101-162 for Educational and Cultural Exchange Programs to Conference Reports 101-299 and 101-332.	—	-3,794,000	—	—	—	—	—	-3,794,000
2. Amounts Sequestered Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177)....................................	-3,460,000	-2,176,000	-163,000	-51,000	-270,000	-229,000	-943,000	-7,292,000
Anticipated 1990 Appropriation.........................	635,109,000	154,330,000	12,537,000	3,624,000	20,430,000	16,771,000	84,057,000	926,858,000
Adjustments to Make 1990 Estimates Comparable to 1991 Estimates:								
Comparative Transfer of Overseas Administrative Support Activities Financed by Department of State Prior to 1990 and in 1991 (note 2).....................	-20,634,000	—	—	—	—	—	—	-20,634,000
Transfer to the International Cultural and Trade Center Commission..............................	-200,000	—	—	—	—	—	—	-200,000
1990 Base Adjusted for Comparability with 1991 Request...	614,275,000	154,330,000	12,537,000	3,624,000	20,430,000	16,771,000	84,057,000	906,024,000
Adjustments Needed to Continue 1990 Program in 1991 and to Reach 1991 Estimate:								

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS
(Continued)

	Salaries and Expenses	Educational & Cultural Exchange Programs	Radio Broadcasting to Cuba	Office of the Inspector General	East-West Center	National Endowment for Democracy	Radio Construction	Total
1. Salary and cost adjustments to continue 1990 program in 1991:								
a. Price increases (note 3)	9,836,493	6,899,000	198,121	46,062	800,000	704,382	--	18,484,058
b. Foreign national wage increases (note 4)	6,169,903	--	--	--	--	--	--	6,169,903
c. Full-year costs of January 1990 Federal pay raise and other built-in salary and benefit changes (note 5)	6,633,623	--	138,598	62,087	--	--	262,783	7,097,091
d. Costs of Federal pay raises scheduled for 1991 (note 6)	9,849,572	--	230,278	164,278	--	--	200,050	10,444,178
e. Added 1991 costs of U.S. participation in the Columbus Quincentennial Exposition in Seville, Spain and Genoa, Italy in 1992	4,319,366	--	--	--	--	--	--	4,319,366
f. Increase in charges levied by other agencies for administrative support (note 7)	3,232,077	--	--	--	--	--	--	3,232,077
g. Net additional full-year costs of establishing television broadcasting to Cuba operations (note 8)	--	--	--	--	--	--	1,746,167	1,746,167
h. Full-year costs of 1990 increases in training and Eastern Europe; VOA Morocco station startup (note 9)	1,448,400	--	--	--	--	--	--	1,448,400
i. Changes resulting from application of prior-year balances to program needs in 1991 (note 10)	--	-1,521,000	918,516	--	--	--	--	-602,484
j. Full-year savings of program reductions made in 1990 (note 11)	-3,846,913	--	--	--	--	--	--	-3,846,913

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS
(Continued)

	Salaries and Expenses	Educational & Cultural Exchange Programs	Radio Broadcasting to Cuba	Office of the Inspector General	East-West Center	National Endowment for Democracy	Radio Construction	Total
k. Net change in other costs of continuing programs (note 12)...............................	1,720,399	-1,002,000	-357,000	26,573	-654,000	--	--	-266,028
Total net adjustments to continue 1990 operating program in 1991......................	39,363,000	4,376,000	1,128,513	299,000	146,000	704,382	2,209,000	48,225,895
Subtotal, amount needed to maintain 1990 operating program in 1991....................	653,638,000	158,706,000	13,665,513	3,923,000	20,576,000	17,475,382	86,266,000	954,249,895
3. Program Enhancements:								
a. Reestablish USIS post in Kabul, Afghanistan: expand staffing for the Office of Inspector General (5 positions)............................	150,000	--	--	200,000	--	--	--	350,000
b. Enhance programs of the National Endowment for Democracy and Radio Broadcasting to Cuba programs...	--	--	1,403,487	--	--	7,524,618	--	8,928,105
4. Net capital needs to continue modernization and construction of VOA facilities (note 13).............	--	--	--	--	--	--	38,391,000	38,391,000
5. Staff and program reductions necessary to accommodate 1991 estimate (note 14)..................	-10,259,000	-4,376,000	--	--	-576,000	--	--	-15,211,000
Net Change from Anticipated 1990 Appropriation...........	8,420,000	--	2,532,000	499,000	-430,000	8,229,000	40,600,000	59,850,000
Total, 1991 Estimate......................................	643,529,000	154,330,000	15,067,000	4,123,000	20,000,000	25,000,000	124,657,000	986,708,000

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS

(Continued)

Note 1 - Section 614 of the Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act for 1990 (P.L. 101-162) provides that funds appropriated to the Department of State and the United States Information Agency may be obligated and expended at a rate not exceeding the rate available for FY 1989 or the rate provided in H.R. 2991 as passed by the Senate, whichever is lower. For USIA, this lower amount is the FY 1989 appropriations of $882,362,000, and as this document goes to publication, the Agency is limiting its obligation rate to conform to that restriction. However, in accordance with Administration policy, the estimates contained in this document assume the repeal of that provision, which would make available the higher 1990 appropriations of $937,944,000, less a sequestration of $7,292,000 and a technical adjustment of $3,794,000.

Note 2 - The Department of State provides administrative support services for USIA's and other agencies' operations overseas. The Department is reimbursed for the distributed administrative support (DAS) portion of most of these services by participating agencies under the Foreign Affairs Administrative Support System (FAAS). USIA and other participating agencies are billed for their appropriate share of the DAS costs.

Prior to 1990, the Department of State budgeted exclusively for certain overseas administrative services which were not included in the FAAS system. In 1990, the FAAS system was expanded, requiring USIA and other participating agencies to budget for the following additional Distributed Administrative Support items that were previously financed from funds appropriated to the Department: upkeep of government-owned and long-term leased properties, post information systems, post motor vehicle replacement, domestic medical programs, the regional administrative management center in Mexico City, and telegraphic communication and pouch services. Funds totalling $20,634,000 are contained in USIA's 1990 appropriation for these items.

In 1991, it has been decided that the Department will again budget for these items, reinstituting the pre-1990 arrangement. Thus, we have dropped $20,634,000 from our 1991 request, and the Department of State's 1991 request will cover the increased costs. For comparative purposes, funds for these additional items have been excluded from all three years of this budget document in the "Administrative Support from Other Agencies" section of the Salaries and Expenses appropriation account. The 1990 amount, however, is included as an appropriation reconciliation entry for informational purposes.

Note 3 - The cost of conducting public diplomacy continues to escalate, especially overseas, with substantial increases reflected in the cost of rents, utilities, diesel fuel, supplies and materials, and contractual services. This increase will help defray these additional costs for Agency operations around the world. Explanations of the items identified below are contained in the justification sections of the elements or appropriations concerned.

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS

(Continued)

	Salaries and Expenses	Educational & Cultural Exchanges	Radio Broad-casting to Cuba	Office of the Inspector General	East-West Center	National Endowment for Democracy	Total
a. Full-year costs of 1990 price increases for services, materials, equipment, travel and shipping......	$4,439,501	$3,104,550	$89,154	$11,489	$360,000	$316,972	$8,321,666
b. Cost increases anticipated to take effect in 1991......................	5,396,992	3,794,450	108,967	34,573	440,000	387,410	10,162,392
Total, cost increases for Agency operations......................	9,836,493	6,899,000	198,121	46,062	800,000	704,382	18,484,058

Note 4 - This increase will provide funds totalling $2,179,887 to annualise wage scales and other built-in changes authorized at various times during 1990 for the foreign nationals employed at our posts and VOA relay stations abroad. It will also provide $3,990,016 for foreign national wage increases expected to be authorized in 1991 in various countries to permit the United States to maintain comparability with prevailing wage scales paid in these areas. Further details on these items are contained in the justification sections of the elements concerned.

Note 5 - This increase is requested to provide for the full-year costs of the January, 1990 Federal pay raise and wage-board rate increases in FY 1990 ($2,599,782). The remainder of the increase would fund added costs for one additional day's pay in 1991 compared to 1990 ($1,354,469), within-grade advancements for foreign national employees ($857,991), full-year costs of FICA, Hospitalisation Insurance, and health benefit charges ($2,003,949), and severance costs associated with planned reductions in the level of USIA-employed foreign nationals in 1991 ($280,900).

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS

(Continued)

Note 6 - This increase will fund costs of Federal pay raises scheduled to be implemented in 1991, including an across-the-board increase of 3.5 percent ($6,763,480) and an averaged increase of 22 percent for Executive Schedule, Senior Executive Service, and Senior Foreign Service employees ($3,680,698) in accord with ethics legislation passed last year.

Note 7 - This increase will provide $736,758 for USIA's share of wage scale increases for State Department foreign national employees performing administrative support functions overseas; $930,574 for cost increases of administrative services and materials which the Department of State provides the Agency; and $1,564,745 for rate increases in Federal Building Rent Fund System charges levied by the General Services Administration for domestic office and other space.

Note 8 - This increase represents the 1991 costs of bringing television broadcasting to Cuba on line full-time in 1991. We anticipate that testing and start-up operations for television broadcasting to Cuba will be completed in 1990. This increase represents full-year costs of $4,442,091 for staff hired in 1990 and program activity costs, partially offset by non-recurring costs of $2,695,924 for equipment purchased in 1990. This would fund an additional 88 full-time equivalent workyears in 1991.

Note 9 - This increase will allow the Agency to continue several high-priority initiatives begun in 1990 and prior years. These include a program of expanded high-level language training in several key languages, including Russian, French, German, Arabic, Chinese, Japanese and Korean ($610,890, 6 work-years); full-year costs of a new cultural facility in Warsaw and an additional American officer in Budapest ($227,590); an additional 20,000 copies per issue of "America Illustrated" magazine in the USSR ($150,000); and initial start-up costs of the new VOA broadcasting station in Morocco ($460,000).

Note 10 - Changes in balances from prior-year appropriations applied to program needs in 1991 will result in a net decrease in requirements for new 1991 appropriations by $602,484. In the Educational and Cultural Exchange Programs account, balances used for the Eisenhower Exchange Fellowship Program in 1991 will increase by $1,521,000, eliminating the need for appropriations of that amount. Conversely, a portion of the 1990 program level in the Radio Broadcasting to Cuba account was funded from prior-year balances totaling $918,516. This will exhaust all prior-year balances in that account. Thus, to maintain a current level of program activity in 1991, additional appropriated funds in that amount will be needed.

Note 11 - Reductions to USIA's 1990 budget forced significant program and personnel cuts Agency-wide. These cuts will occur throughout fiscal year 1990, resulting in partial savings for that fiscal year. This amount represents the full-year 1991 savings of these reductions.

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS

(Continued)

Note 12 - This net decrease results from all other built-in changes for continuing throughout 1991 the program levels effected by the end of 1990, exclusive of the amounts identified above. Major decreases include a net decrease in requirements for special international exhibitions in the Soviet Union and elsewhere; non-recurring costs of establishing a cultural center in Warsaw in 1990; non-recurring costs of the Teacher's, Text, Technology exchange program; non-recurring costs of a 1990 grant to the Institute for Representative Government; non-recurring 1990 Radio Marti Program costs; non-recurring costs of the 1990 purchase of equipment necessary to enable USIA to ensure communications compatibility with the Department of State; and 1991 savings resulting from conversion to the new FTS-2000 telephone system.

Offsetting increases include an increase in the cost of multi-year lease renewals at our overseas installations; losses due to unfavorable rates of exchange abroad; a net increase in renovation, relocation, and rehabilitation projects at overseas posts; an increase in workman's compensation billings from the Department of Labor; and increased expenses associated with the Inspector General and Junior Officer Trainee programs.

Note 13 - These funds will be used primarily for continuation of the multi-year effort to construct new facilities. Additional funds totalling $41,239,000 will be used to fund ongoing efforts at the relay stations in Morocco ($29,573,000) and Thailand ($11,666,000). This increase is offset by non-recurring funds for the 1990 completion of the permanent relay station at Belize ($-596,000) and for other non-recurring costs of improvements, replacements, and repairs to existing facilities ($-2,252,000).

Note 14 - Salary and program reallocations totalling $15,211,000 and 108 positions will be necessary to accommodate the needs discussed above within the total 1991 request. The exact composition of these reductions is still under discussion, but they are likely to include the following:

Reductions in our overseas operations totalling $3,977,673. These would involve the elimination of 77 positions, including 22 Americans and 55 foreign nationals, and would diminish the reach and effectiveness of our overseas operations.

Savings of $3,309,644 in the Voice of America, primarily associated with scheduled 1990 reductions in personnel and broadcast hours, including the elimination of up to six language services. (The Agency is developing a proposal to transfer funds from the Radio Construction account to retain these language services.)

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS

(Continued)

Reductions of $2,971,683 and 31 positions in domestic support of our overseas operations. This would include elimination of television documentaries; elimination of positions associated with a cutback in exhibits programs; elimination of enrichment programs for foreign students studying in the U.S. who are not sponsored by USIA; cuts in the youth exchange program; and other reductions in support activities throughout the range of the Agency's domestic operations.

Reductions totalling $4,376,000 in our exchange-of-persons programs -- including $2,888,000 in academic exchange programs, $1,278,000 in the international visitor program, and $210,000 in private sector programs -- and a cut of $576,000 in the programs of the East-West Center.

GENERAL STATEMENT

Overview

As the global order which has held sway since World War II changes, America needs to engage the rest of the world across the broad spectrum of political, economic, cultural and scientific issues. U.S. military power will continue to be a major factor in international stability. We are witnessing a shift in the balance of influence, however, which will make the military less important and bring greater focus to political, economic, cultural and other influences. Now, more than ever, there is a need for a strong USIA -- an agency whose business is ideas, values, and people.

USIA currently has a specific challenge in Eastern Europe, vastly enlarged from even a year ago. The newly released forces of liberalization are responding to Western values that the U.S. has long espoused. USIA has been a leading means through which these values have been propounded. The Voice of America long brought word of the West to the people of the closed societies of the East. Our exchange programs and our cultural programs made contact when other means were denied. We have the experience, the tools, and above all, the people to accomplish the task. But we must also have the resources.

USIA is challenged to respond to the unparalleled opportunities in Eastern Europe while continuing to support its programs in other vital areas such as Western Europe, Central America, Japan, Korea, the Philippines, Southern Africa, India and Pakistan. In the business of building relationships, USIA needs constancy. We need to maintain the U.S. educational and cultural investment in important areas around the world. However, in 1990, USIA has had to effect reductions of $28.2 million in the Salaries and Expenses account alone, further weakening a program structure that is in its fourth year of retrenchment.

The Budget

USIA's 1991 budget estimate totals $986.7 million. Compared to 1990 anticipated appropriations of $926.9 million, the request will:

-- Allow for the continuation of the Administration-approved, streamlined modernization of the Voice of America's broadcast facilities. The bulk of this funding is required to continue construction of new stations in Morocco and Thailand -- vital links in the new, tighter VOA worldwide network for the 1990's and beyond (increase ... $38.3 million).

GENERAL STATEMENT

- -- Provide for wage and price increases and other built-in needs that, while unexciting, are vital for the maintenance of a quality world-wide public diplomacy program (increase ... $33.3 million).

- -- This built-in requirement is partially offset by the return of costs for additional administrative services -- transferred to USIA in the 1990 budget -- to the State Department in 1991 (decrease...$20.6 million).

- -- Provide $10.4 million for 1991 Federal pay raises in accordance with Administration policy, including an across-the-board increase of 3.5 percent and an averaged increase of 22 percent for Executive Schedule, Senior Executive Service, and Senior Foreign Service employees, consistent with legislation passed last year.

- -- Allow for the 1991 costs of U.S. participation in the Columbus Quincentennial Exposition in Seville, Spain and Genoa, Italy in 1992 (increase ... $4.3 million).

- -- Provide for selected enhancements to reestablish a USIS post in Afghanistan, expand staffing in the Office of the Inspector General, and enhance Radio Broadcasting to Cuba and National Endowment for Democracy programs (increase ... $9.3 million).

- -- To accommodate one-half of the Federal pay raise in 1991 and other requirements noted above, the Agency will make staff and program reallocations in the Salaries and Expenses appropriation totalling $10.3 million, continuing a trend begun in 1987. While the exact sources of these funds are still being determined, they are likely to include the following:

    - -- In our overseas operations, reallocations totalling $4.0 million. This would involve curtailment of USIS activities around the globe and the elimination of 77 positions, including 22 Americans and 55 foreign nationals.

    - -- In the Voice of America, savings of $3.3 million, primarily associated with scheduled 1990 reductions in personnel and broadcast hours, including the elimination of up to six language services. (The Agency is developing a proposal to transfer funds from the Radio Construction account to obviate the need for eliminating these language services.)

    - -- In the Agency's domestic structure supporting overseas operations, reductions of $3.0 million and 31 positions throughout the range of program and administrative services.

- -- These 1991 reductions, together with those taken in 1990, are displayed by element in the table on page 3-4.

GENERAL STATEMENT

-- To accommodate the costs of inflation in the exchange-of-persons program and the East-West Center, curtailment of $4.3 million in exchange programs -- including $2.9 million in academic exchange programs, $1.2 million in the international visitor program, and $.2 million in private sector programs -- and a reduction of $.6 million in the programs of the East-West Center.

At the start of a new decade, we find ourselves in a new world -- one that presents USIA with challenges and opportunities undreamed of only a few short months ago. We must move forward forcefully. The real work has only begun.

United States Information Agency
Salaries and Expenses
Summary of Staff and Program Reductions, 1990-1991

	1990					1991					Total				
	Positions					Positions					Positions				
	Dom.	Am.	FNE	Total	Funds	Dom.	Am.	FNE	Total	Funds	Dom.	Am.	FNE	Total	Funds
Area Programs:															
East Asian and Pacific Affairs	--	--	9	9	$506	1	2	17	20	$746	1	2	26	29	$1,246
African Affairs	--	--	--	--	239	--	2	11	13	528	--	2	11	13	767
North African, Near Eastern, and South Asian Affairs	--	2	7	9	300	--	7	3	10	668	--	9	10	19	968
American Republics Affairs	--	--	5	5	410	--	6	3	9	615	--	6	8	14	1,025
West Europe	--	1	17	18	752	--	2	12	14	709	--	3	29	32	1,461
Soviet Union and East Europe	--	1	--	1	185 *	--	2	9	11	674 *	--	3	9	12	859 *
World-Wide Mission Costs	--	--	--	--	205	--	--	--	--	43	--	--	--	--	248
Subtotal, Area Programs	--	4	38	42	2,597	1	21	55	77	3,977	1	25	93	119	6,574
Voice of America	122	9	14	145	9,112	--	--	--	--	3,310	122	9	14	145	12,422
Television and Film Service	29	--	--	29	4,587	9	--	--	9	587	38	--	--	38	5,174
Educational and Cultural Affairs	11	--	--	11	2,727	--	--	--	--	692	11	--	--	11	3,419
Program Coordination, Production, and Support	19	--	12	31	5,175	12	--	--	12	640	31	--	12	43	5,815
Agency Direction and Management	51	--	--	51	3,762	10	--	--	10	991	61	--	--	61	4,753
Administrative Support from other Agencies	--	--	--	--	212	--	--	--	--	62	--	--	--	--	274
Total, Salaries and Expenses Program Reductions	232	13	64	309	28,172	32	21	55	108	10,259	264	34	119	417	38,431

* In order to take full advantage of enhanced program opportunities inside the societies of the USSR and Eastern Europe, we have limited program cuts in 1990 and 1991 in this region to programs in Yugoslavia, RIAS, and the Regional Projects Office in Vienna.

EXPLANATION OF LANGUAGE CHANGES

1. Changes in appropriation requests for fiscal year 1991

The appropriations requests for fiscal year 1991, detailed in other sections of these justifications, compare as shown below with the 1990 appropriations enacted under Public Law 101-162 less the amounts sequestered. Amounts are in thousands.

Appropriations	1990 Appropriations As Enacted	1990 Appropriations Sequester	1990 Appropriations Revised	1991 Request	Increase or Decrease (-)
Salaries and Expenses............	$638,569	$-3,460	$635,109	$643,529	$ 8,420
Educational and Cultural Exchange Programs.........................	156,506	-2,176	154,330	154,330	--
Radio Broadcasting to Cuba.......	12,700	-163	12,537	15,069	2,532
Office of the Inspector General..	3,675	-51	3,624	4,123	499
East-West Center.................	20,700	-270	20,430	20,000	-430
National Endowment for Democracy.	17,000	-229	16,771	25,000	8,229
Radio Construction:					
VOA Modernization...............	69,000	-834	68,166	106,557	38,391
TV Marti Program................	16,000	-109	15,891	18,100	2,209
Subtotal, Radio Construction..	85,000	-943	84,057	124,657	40,600
Total Appropriations Enacted and Requested..................	934,150	-7,292	926,858	986,708	59,850

EXPLANATION OF LANGUAGE CHANGES

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary to enable the United States Information Agency, as authorized by the Mutual [Education] *Educational* and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451 et seq.), the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1431 et seq.) and Reorganization Plan No. 2 of 1977 (91 Stat. 1636), to carry out international communication, educational and cultural activities; and to carry out related activities authorized by law, including employment, without regard to civil service and classification laws, [or] *of* persons on a temporary basis (not to exceed $700,000, of this appropriation), as authorized by 22 U.S.C. 1471, expenses authorized by the Foreign Service Act of 1980 (22 W.S.C. 3901 et seq.), living quarters as authorized by 5 U.S.C. 5912, and allowances as authorized by 5 U.S.C. 5921-5928 [and 22 U.S.C. 287e-1] *;* and entertainment, including official receptions, within the United States, not to exceed $20,000 as authorized by 22 U.S.C. 1474(3); [$638,569,000] *$643,529,000*, none of which shall be restricted from use for the purposes appropriated herein: [*Provided*, That not less than $32,800,000 shall be available for the Television and Film Service notwithstanding section 209(e) of Public Law 100-204:] *Provided*, That not to exceed $1,210,000 may be used for representation abroad as authorized by 22 U.S.C. 1452 and 4085: *Provided further*, That not to exceed $15,377,000 of the amounts allocated by the United States Information Agency to carry out section 102(a)(3) of the Mutual Educational and Cultural Exchange Act, as amended (22 U.S.C. 2452(a)(3)), shall remain available until expended: *Provided further*, That not to exceed $500,000 shall remain available until expended as authorized by 22 U.S.C. [1477(b)] *1477b(a)*, for expenses (including those authorized by the Foreign Service Act of 1980) and equipment necessary for maintenance and operation of data processing and administrative services as authorized by 31 U.S.C. 1535-1536: *Provided further*, That not to exceed $6,000,000 may be credited to this appropriation from fees or other payments received from or in connection with English teaching, library, motion pictures, television, and publication programs as authorized by section 810 of the United States Information and Educational Exchange Act of 1948, as amended. *(Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1990; additional authorizing legislation to be proposed.)*

EXPLANATION OF LANGUAGE CHANGES

2. Revision of Reference to the Mutual Educational and Cultural Exchange Act of 1961, as Amended

This change, substituting the word "Educational" for "Education", is proposed to show the correct title of this Act.

3. Revision of Provision on Employment of Persons on a Temporary Basis

This change, substituting the word "of" for "or", will correct a typographical error in the 1990 language.

4. Delete Provision relating to Authority for Payment of Certain Allowances

This change will delete the reference to 22 U.S.C. 287e-1 which formerly authorized the payment of allowances to certain USIA employees in New York City to compensate them for the higher rent and utilities that they were required to pay in order to live near the U. S. Mission to the United Nations. This authority was repealed by Section 304 of Public Law 100-459.

5. Delete Provision Relating to Television and Film Service

The 1990 Appropriations Act earmarked not less than $32,800,000 for the Television and Film Service and waived Section 209(e) of Public Law 100-204. The Agency proposes to delete the earmark for this funding requirement and the waiver of Section 209(e) which will be repealed by Section 205(b) of the Foreign Relations Authorization Act, fiscal years 1990 and 1991 (H.R. 3792), if signed into law by the President.

6. Change in Amount to be Available Until Expended for Special International Exhibitions Programs

A total of $15,377,000 of the 1991 Salaries and Expenses appropriation is requested to be designated as the amount to remain available until expended. The direct project costs for international fairs and exhibitions are funded under this authority. This includes funding for exhibitions and performing arts showings in the Soviet Union and Eastern Europe and other international exhibitions, trade fairs, and centerpiece exhibits, including international expositions in Seville, Spain, and Genoa, Italy, in 1992 celebrating the 500th anniversary of Columbus' voyage to America.

EXPLANATION OF LANGUAGE CHANGES

7. Revision of Reference to 22 U.S.C. 1477b(a)

This change is proposed to correctly state the citation for the provision that authorizes funds to remain available until expended.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of Fulbright, International Visitor, Humphrey Fellowship, Private Sector, and Congress-Bundestag Exchange Programs, as authorized by the Mutual Educational and Cultural Exchange Act, as amended (22 U.S.C. 2451 et seq.), and Reorganization Plan No. 2 of 1977 (91 Stat. 1636) [$160,306,000, including up to $1,500,000, to remain available until expended, for the Eisenhower Exchange Fellowship Program] *$154,338,000. (Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1990; additional authorizing legislation to be proposed.)*

8. Delete Provision relating to Eisenhower Exchange Fellowship Program

The 1990 Appropriations Act earmarked up to $1,500,000 for the Eisenhower Exchange Fellowship Program. The Agency proposes to delete the earmark for this funding requirement.

EXPLANATION OF LANGUAGE CHANGES

RADIO CONSTRUCTION

For an additional amount for the purchase, rent, construction, and improvement of facilities for radio transmission and reception and purchase and installation of necessary equipment for radio transmission and reception as authorized by 22 U.S.C. 1471, [$85,000,000] *$124,657,000*, to remain available until expended as authorized by 22 U.S.C. 1477b(a), of which not to exceed [$16,000,000] *$18,100,000* may be available for the [completion of testing and first-year operations] *operation* of television broadcasting to Cuba, including, but not limited to, the purchase, rent, construction, improvement and equipping of facilities, operations, and staffing: *Provided*, That such funds for television broadcasting to Cuba may be used to purchase or lease, maintain, and operate such aircraft (including aerostats) as may be required to house and operate necessary television broadcasting equipment: *Provided further*, That the availability of such funds for television broadcasting to Cuba shall be subject to the provisions of part [B] *D*, title II of H.R. 1487 as passed *by* the House of Representatives *and the Senate* until such time as legislation authorizing such activity is enacted into law.

[Section 725 of the International Security and Development Cooperation Act of 1981 (22 U.S.C. 2370 note) is hereby repealed.] *(Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1990; additional authorizing legislation to be proposed.)*

9. Modify Language for TV Marti Program

The 1990 Appropriations Act provided additional funding of $16,000,000 for "completion of testing and first-year operations" of television broadcasting to Cuba. This will be accomplished in 1990, and the additional funding of $18,100,000 requested in 1991 will cover on-going TV Marti staff and operating costs. We propose to modify the language to reflect these changes.

EXPLANATION OF LANGUAGE CHANGES

10. Deletion of Reference to H.R. 1487

When the 1990 Appropriations Act was passed, legislation authorizing television broadcasting to Cuba had not been enacted. Therefore, the availability of the 1990 appropriations for TV Marti was made subject to H.R. 1487 as passed by the House of Representatives. When the President's 1991 budget was finalized, it was anticipated that Congress would pass authorization legislation prior to enactment of FY 1991 appropriations, making this provision unnecessary. Subsequently, Congress passed the Foreign Relations Authorization Act, fiscal years 1990 and 1991 (H.R. 3792) which, if signed into law by the President, will provide permanent legislative authority for television broadcasting to Cuba.

11. Deletion of Provision Repealing Section 725 of the International Security and Development Cooperation Act of 1981

The 1990 Appropriations Act repealed Section 725 of the International Security and Development Cooperation Act of 1981. Thus, the provision is unnecessary in the 1991 Act, and we propose to delete it.

EXPLANATION OF SPECIAL BUDGET ITEMS

1. Personal Services Lapse Rates

Lapse rates are allowances for vacancies and turnover used in developing estimates for personnel compensation and benefits.

a. For fiscal year 1989, the lapse rate reflects actual employment experience for each element or account.

b. For 1990 and 1991, lapse rates are based on a projection of personnel on duty as of October 1, 1989, a scheduling of vacant and new positions to be filled, and an analysis of positions to be eliminated. Rates used in 1990 and 1991 are as follows:

(1). For continuing American positions at overseas missions, the gross lapse rate averages 3.5 percent.

(2). For continuing domestic positions, the gross lapse rate averages 6.0 percent.

(3). For continuing foreign national positions, the lapse rate has been determined independently for each country and is based on information supplied by the overseas mission concerned.

(4). For positions added or dropped in 1990 and scheduled to be added or dropped in 1991, the lapse rate has been determined independently by each element.

2. Projection of FY 1991 Federal Pay Raises

In accordance with Administration policy, the Agency's 1991 estimates for domestic and overseas American salary and related costs reflected in this document include added costs resulting from Federal pay raises projected to take effect in January, 1991, as follows: (1) an executive pay raise for Executive Schedule, Senior Executive Service, and Senior Foreign Service employees, averaging 22 percent, consistent with legislation passed last year; and (2) an across-the-board increase of 3 1/2 percent for all American employees. The 1991 estimates reflect the reallocation of resources to absorb one-half the costs of these increases.

3. Effects of Section 614 of the 1990 Appropriations Act (P.L. 101-162)

Section 614 of the Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act for 1990 (P.L. 101-162) provides that funds appropriated to the Department of State and the United States Information Agency may be obligated and expended at a rate not exceeding the rate available for FY 1989 or the rate provided in H.R. 2991 as passed by the Senate, whichever is lower. It also stipulates that 1989 authorities and conditions will be in effect. For USIA, the lower amount is the FY 1989 amount, and as this

EXPLANATION OF SPECIAL BUDGET ITEMS

3. **Effects of Section 614 of the 1990 Appropriations Act (P.L. 101-162), Continued**

document goes to publication, the Agency is limiting its obligation rate to conform to that restriction. However, in accordance with Administration policy, the estimates contained in this document assume the repeal of that provision. Thus, this document reflects overall FY 1990 appropriations of $934,150,000 less a sequestration of $7,292,000, for a revised total of $926,858,000. This is $44,496,000 higher than the 1989 appropriations of $882,362,000, as follows (in thousands):

		1990 Appropriations			1989 Over or Under (-) 1990 Approp. Act	1989 Over or Under (-) Revised 1990 Approp.
	1989 Actual	Amount Enacted	Sequester Amount	Revised Amount*		
Salaries and Expenses.....	$616,850	$638,569	$-3,460	$635,109	$-21,719	$-18,259
Exchanges.................	150,040	156,506	-2,176	154,330	-6,466	-4,290
Radio Construction:						
VOA Modernization........	57,500	69,000	-834	68,166	-11,500	-10,666
TV Marti Program.........	7,500	16,000	-109	15,891	-8,500	-8,391
Subtotal..............	65,000	85,000	-943	84,057	-20,000	-19,057
Radio Marti Program.......	11,175	12,700	-163	12,537	-1,525	-1,362
Inspector General.........	3,497	3,675	-51	3,624	-178	-127
East-West Center..........	20,000	20,700	-270	20,430	-700	-430
NED.......................	15,800	17,000	-229	16,771	-1,200	-971
Total, USIA............	882,362	934,150	-7,292	926,858	-51,788	-44,496

* In 1990, while Section 614 of P.L. 101-262 is in effect, USIA is limited to 1989 levels, since the 1989 appropriations are lower than the Senate allowance in all accounts.

If Section 614 is not repealed, Agency operations will be severely restricted. Specifically:

-- The Agency will not be able to reimburse fully the Department of State for the added costs of administrative support services scheduled to take effect in FY 1990, because funds are not available and we are operating under 1989 conditions.

-- The Voice of America's facility modernization program would be held to $57.5 million or 16 percent below

EXPLANATION OF SPECIAL BUDGET ITEMS

3. Effects of Section 614 of the 1990 Appropriations Act (P.L. 101-162), Continued

the $68.2 million approved in the 1990 Appropriations Act. This would result in serious and costly delays in the construction of a new relay station in Thailand.

-- Funding for television broadcasting to Cuba, which would be cut 53 percent, would be totally inadequate to sustain its projected 1990 operations.

-- Increased academic exchange and international visitor programs would go unfunded, making it difficult to address new exchange program requirements in Eastern Europe.

-- Current law prohibits USIA from transmitting certain needed television products to field posts through our worldwide leased satellite network. As a result, we are forced to use the slower, more expensive pouch. The funding provisions of the 1990 appropriations bill contained a waiver of this provision. [The "Foreign Relations Authorization Act, Fiscal Years 1990 and 1991" (H.R. 3792), which on February 2, 1990 is awaiting Presidential action, contains language repealing the television restriction.]

4. Calculation of 1990 Sequestration Amounts

As noted above, if Section 614 is repealed or modified, making available the higher appropriations of $934,150,000, a total sequestration of $7,292,000 will be applied, reducing the appropriations to $926,858,000. The comparable amounts for the Salaries and Expenses account are $638,569,000, less a sequester of $3,460,000, for a revised total of $635,109,000.

The methodology used to determine the amount of the sequestration required in any account is a two-step process. First, a sequester baseline is calculated, based on appropriations enacted in 1989 and an allowance for inflation. This base is reduced by the sequester percentage, to produce a "post-sequester baseline." The second step compares the post-sequester baseline to the amount appropriated for 1990. If the appropriation is higher than the post-sequester baseline, the appropriation is reduced to the baseline amount. However, if the appropriation is lower than the post-sequester baseline, no sequester is applied.

In the first phase of this calculation for the Salaries and Expenses accounts of the Department of State and the U. S. Information Agency, the 1989 enacted appropriations were not adjusted to reflect the transfer of funding responsibility scheduled to take place in 1990 for certain administrative support services funded exclusively by the Department in 1989 and earlier years. Thus, the sequester baselines for the Department and USIA were not comparable in content to the 1990 Appropriations as they were enacted. Without a comparability adjustment, the sequester calculation resulted in a higher baseline for the Department and a

4. Calculation of 1990 Sequestration Amounts, Continued

lower baseline for USIA. If the FAAS transfer had been considered, USIA's S&E appropriation of $638,569,000 would not have been subject to any sequester. For this reason, the Agency proposes to reduce the payments to the Department for the scheduled FAAS transfer by the sequester amount (from the budgeted amount of $24,094,000 to $20,634,000). The following table illustrates the actual sequester calculation and a revised calculation taking the scheduled FAAS transfer into account.

Adjustment of Sequester Amounts for FAAS Transfer

(Funds in thousands)

	Calculation of Post-Sequester Baseline					Sequester Under P.L. 101-102		
	1989 Enacted Level	OMB Allowed Inflation	Sequester Baseline	Sequester Reduction	Post-Sequester Baseline	Enacted Approp.	Deduct Sequester	Final Level
Methodology Used:								
Salaries and Expenses...	$620,347	$23,780	$644,127	$ -9,018	$635,109	$638,569	$-3,460	$635,109
Revised Methodology Adjusted for FAAS Transfer:								
Salaries and Expenses:								
Base (No FAAS Transfer)	620,347	23,780	644,127	-9,018	635,109	614,475	--	614,475
FAAS Transfer Adjustment............	22,879	850	23,729	-332	23,397	24,094	--	24,094
Total, S&E...........	634,226	24,630	667,856	-9,350	658,506	638,569	--	638,569

5. Allocation of 1991 Program Cuts to Field Programs

The 1991 budget estimates for the Salaries and Expenses account are predicated on the need to reallocate

EXPLANATION OF SPECIAL BUDGET ITEMS

5. Allocation of 1991 Program Cuts to Field Programs, Continued

$10,259,000 to cover 50 percent absorption of Federal pay raises scheduled to take place in 1991 and to offset part of the other increased built-in requirements reflected in USIA's budget. For each program element, including field programs, we have projected a share of an across-the-board reduction to achieve the needed funds. While the exact composition of these reallocations is still under discussion, it may be necessary to close several posts and to eliminate a number of overseas American positions to achieve the necessary savings. If we determine that these field program reductions are required, we will have to seek relief from Section 204 of the 1988/1989 Authorization Act which limits such reductions to certain specific circumstances, including operations under a sequestration.

6. Effects of Special Foreign Currency Program on Agency Estimates

The former Salaries and Expenses (Special Foreign Currency Program) Appropriation was merged with the regular Salaries and Expenses (S&E) dollar and Educational and Cultural Exchange Programs (for academic, international visitor, and other traditional exchange programs) in 1986. Resources available from this former appropriation in 1989 totalled $16,451 in the Salaries and Expenses account, including $6,501 in balances carried forward from 1988 and recoveries of prior-year obligations totalling $9,950. Of this amount, a total of $10,222 was used to fund 1989 program costs in Burma ($3,206), Guinea ($1,340), and India ($5,676). The remaining balance of $6,229 will be used in 1990 to cover part of regular program activities in Burma.

7. Amounts Included for Consulting Services

Section 1114 of Title 31 of the United States Code, "Budget Information on Consulting Services", requires the head of each Federal agency to include information on consulting services "...in the budget justification for the agency submitted each year to the Committees on Appropriations of both Houses of Congress". The Agency's consulting services are summarized below.

The Agency utilizes consulting services to meet a variety of statutory, operating and program requirements. Statutory requirements consist of salary payments and/or travel cost reimbursements for the following activities:

Salaries and Expenses Appropriation:

Foreign Service Selection Boards: Public members of the annual Foreign Service Selection Boards are compensated for their services pursuant to the Foreign Service Act of 1980;

EXPLANATION OF SPECIAL BUDGET ITEMS

7. Amounts Included for Consulting Services, Continued

U. S. Advisory Commission on Public Diplomacy: The members of the U. S. Advisory Commission on Public Diplomacy, authorized by the U. S. Information and Educational Exchange Act of 1948, are reimbursed for their travel costs;

Cultural Property Advisory Committee: The members of this Committee, established by the Convention on Cultural Property Implementation Act of 1983, are compensated for their services.

In addition, the Agency utilizes consultants to obtain expert advice and recommendations on Agency programs and effectiveness, to conduct special studies in programming, policy, and/or management areas to provide substantive input to Agency leadership in carrying out the Agency's mission, and to provide other specialized services.

Radio Broadcasting to Cuba Appropriation:

Advisory Board for Radio Broadcasting to Cuba: The members of this Board, established pursuant to the Radio Broadcasting to Cuba Act, receive compensation and travel costs reimbursement; the Board also hires consultants to deal with special issues, such as the feasibility of television broadcasting to Cuba.

The costs of consulting services incurred in 1989 and projected for 1990 and 1991 are summarized on the following page:

EXPLANATION OF SPECIAL BUDGET ITEMS

7. Amounts Included for Consulting Services, Continued

Appropriation and Activity	(In Actual Dollars) 1989 Actual	 1990 Estimate	 1991 Estimate
Salaries and Expenses Appropriation:			
Foreign Service Selection Boards	$ 30,996	$ 30,000	$ 30,000
U. S. Advisory Commission on Public Diplomacy	16,312	40,000	40,000
Other Educational and Cultural Affairs Programs	26,382	25,000	25,000
Voice of America	12,704	10,000	10,000
Special International Exhibitions and all other	56,119	50,000	50,000
Subtotal, Salaries and Expenses Appropriation	142,513	155,000	155,000
Radio Broadcasting to Cuba Appropriation	34,718	35,000	35,000
Total Consulting Services	177,231	190,000	190,000

NOTE: The costs displayed above consist of travel costs and compensation costs (where applicable - for example, members of the Advisory Commission on Public Diplomacy are not compensated). In addition, the Agency provides staff support, office supplies and other administrative support that is not displayed. Details of these costs can be found in the various sections of this document.

8. Balances Available for Program Activities in 1990 and 1991

There is a net decrease of $5,094,523 in balances available for application to program activities in 1991 compared to 1990. Programmatic requirements for application of balances are detailed in the Salaries and Expenses, Educational and Cultural Exchanges, and Radio Broadcasting to Cuba sections of this document. The table on the following page displays these balances.

UNITED STATES INFORMATION AGENCY

Balances Available for Application to Program Activities in 1990 and 1991

	1990				1991				Change			
	Salaries and Expenses	Educational & Cultural Exchanges	Radio Broadcasting to Cuba	Total	Salaries and Expenses	Educational & Cultural Exchanges	Radio Broadcasting to Cuba	Total	Salaries and Expenses	Educational & Cultural Exchanges	Radio Broadcasting to Cuba	Total
Unobligated balance brought forward, start of year:												
Dollar......................	5,690,778	1,953,000	918,516	8,562,294	0	1,737,000	0	1,737,000	-5,690,778	-216,000	-918,516	-6,825,294
Special Foreign Currency....	6,229	0	0	6,229	0	0	0	0	-6,229	0	0	-6,229
Total......................	5,697,007	1,953,000	918,516	8,568,523	0	1,737,000	0	1,737,000	-5,697,007	-216,000	-918,516	-6,831,523
Unobligated balance brought forward, end of year:												
Dollar......................	0	-1,737,000	0	-1,737,000	0	0	0	0	0	1,737,000	0	1,737,000
Special Foreign Currency....	0	0	0	0	0	0	0	0	0	0	0	0
Total......................	0	-1,737,000	0	-1,737,000	0	0	0	0	0	1,737,000	0	1,737,000
Balances applied to program during year:												
Dollar......................	5,690,778	216,000	918,516	6,825,294	0	1,737,000	0	1,737,000	-5,690,778	1,521,000	-918,516	-5,088,294
Special Foreign Currency....	6,229	0	0	6,229	0	0	0		-6,229	0	0	-6,229
Total......................	5,697,007	216,000	918,516	6,831,523	0	1,737,000	0	1,737,000	-5,697,007	1,521,000	-918,516	-5,094,523

EXPLANATION OF SPECIAL BUDGET ITEMS

9. Transfer in the Estimates between the 1990 and 1991 Congressional Budgets

	Adjustments to the 1990 Congressional Budget			
	1989 Estimate		1990 Estimate	
	Positions	Amount	Positions	Amount
a. Transfer long-distance telephone costs from Agency Direction and Management to Geographic Areas and Bureaus where costs are incurred:				
Agency Direction and Management.............	--	$-1,301,949	--	$-1,301,949
East Asia and Pacific Program...............	--	10,221	--	10,221
African Program.............................	--	37,146	--	37,146
North Africa, Near East, & S. Asia Program..	--	47,770	--	47,770
American Republics Program..................	--	47,675	--	47,675
West European Program.......................	--	37,234	--	37,234
Soviet Union and East European Program......	--	24,823	--	24,823
Voice of America............................	--	815,424	--	815,424
Educational and Cultural Affairs............	--	160,527	--	160,527
Program Coordination, Production, and Support..................................	--	121,129	--	121,129
b. Transfer Foreign Service Institute language training costs from Administrative Support from Other Agencies to World-Wide Mission Costs to combine all similar training costs:				
Administrative Support from Other Agencies..	--	-1,543,168	--	-1,582,447
World-Wide Mission Costs....................	--	1,543,168	--	1,582,447

EXPLANATION OF SPECIAL BUDGET ITEMS

9. Transfer in the Estimates between the 1990 and 1991 Congressional Budgets, Continued

	Adjustments to the 1990 Congressional Budget			
	1989 Estimate		1990 Estimate	
	Positions	Amount	Positions	Amount
c. Transfer foreign national employee training costs from World-Wide Mission Costs to Geographic Areas who are responsible for such costs:				
World-Wide Mission Costs....................	--	$-215,300	--	$-235,320
East Asia and Pacific Program...............	--	10,000	--	10,930
African Program.............................	--	50,000	--	54,650
North Africa, Near East, & S. Asia Program..	--	35,300	--	38,580
American Republics Program..................	--	40,000	--	43,720
West European Program.......................	--	70,000	--	76,510
Soviet Union and East European Program......	--	10,000	--	10,930
d. Transfer domestic guard costs from Administrative Support from Other Agencies to Agency Direction and Management since guard contracts are now primarily with private firms instead of with GSA on a reimbursable basis:				
Administrative Support from Other Agencies..	--	-931,708	--	-903,089
Agency Direction and Management.............	--	931,708	--	903,089

EXPLANATION OF SPECIAL BUDGET ITEMS

9. Transfer in the Estimates between the 1990 and 1991 Congressional Budgets, Continued

	Adjustments to the 1990 Congressional Budget			
	1989 Estimate		1990 Estimate	
	Positions	Amount	Positions	Amount
e. Transfer Washington pouch costs paid to the Department of State for processing diplomatic mailings to overseas locations from World-Wide Mission Costs to Administrative Support from Other Agencies:				
World-Wide Mission Costs..................	--	$-375,000	--	$-388,500
Administrative Support from Other Agencies.	--	375,000	--	388,500
f. Transfer home leave, transfer, and related costs from Educational and Cultural Affairs and from Program Coordination, Production, and Support to World-Wide Mission Costs where such costs are managed centrally:				
Educational and Cultural Affairs...........	--	-67,960	--	-72,820
Program Coordination, Production, and Support..................................	--	-82,755	--	-47,730
World-Wide Mission Costs..................	--	150,715	--	120,550
g. Transfer Board of Examiner costs related to security clearances and personnel testing of new Foreign Service applicants from Agency Direction and Management and from Administrative Support from Other Agencies to World-Wide Mission Costs where similar costs are budgeted:				
Agency Direction and Management............	--	-101,000	--	-101,000
Administrative Support from Other Agencies.	--	-182,897	--	-186,555
World-Wide Mission Costs..................	--	283,897	--	287,555

EXPLANATION OF SPECIAL BUDGET ITEMS

10. Comparative Transfer of Overseas Administrative Support Activities (FAAS)

The Department of State provides administrative support services for USIA's and other agencies' operations overseas. The Department is reimbursed for the distributed administrative support (DAS) portion of most of these services by participating agencies under the Foreign Affairs Administrative Support System (FAAS). USIA and other participating agencies are billed for their appropriate share of the DAS costs. Currently, the Department of State budgets exclusively for certain overseas administrative services which are not included in the FAAS system. In response to the direction of the House Appropriations Subcommittee on Commerce, Justice, and State, the Judiciary, and related Agencies, State expanded the FAAS system in 1990 and required USIA and other participating agencies to budget for the following additional Distributed Administrative Support items that have previously been financed from funds appropriated to the Department: upkeep of government-owned and long-term leased properties, post information systems, post motor vehicle replacement, domestic medical programs, the regional administrative management center in Mexico City, and telegraphic communication and pouch services.

In 1990, assuming that Section 614 of the 1990 Appropriations Act is repealed, the Agency will reimburse the Department an additional $20,634,000 to meet its share of these additional FAAS administrative services. In 1991, it has been decided that the Department resume budgeting for these services. Therefore, the 1990 costs of $20,634,000 have been dropped from the Agency's 1991 budget request and will be covered by the Department's request. For comparative purposes, the additional 1990 costs of $20,634,000 have been excluded from the "Administrative Support from Other Agencies" section of the Salaries and Expenses account in this budget document.

11. Establishment of a Separate Appropriation for the Office of the Inspector General in 1990

The 1990 Appropriations Act established a separate appropriation for the Office of the Inspector General. In 1989, this activity was funded by the Agency's Salaries and Expenses account. For comparative purposes, the 1989 amounts ($3,477,716 and 50 positions) are shown in the new Office of the Inspector General Appropriation account in this budget document.

12. Projection of Overseas Wage and Cost Increases

The Agency's 1991 request for "Salaries and Expenses" and "Educational and Cultural Exchange Programs" includes funds for projected overseas wage scale adjustments ("Salaries and Expenses" only) and other cost increases for fuel, leases, utilities, materials, travel, shipping, and other contractual services. These increases are summarized under the overall "Lead-Off Tabular Statement" in Section 2 of this document. In making these projections we have applied data furnished by the Department of State which are based on the Department's analyses of wage and cost trends in each area of the world, with particular emphasis on the major countries in each area.

INDEX FOR SALARIES AND EXPENSES ACCOUNT

Activity	Tab No.
General Justification Statement	2
Summary Tables	3
Overseas Missions Operations Summary	4
East Asia and Pacific Program	5
African Program	6
North Africa, Near East, and South Asia Program	7
American Republics Program	8
West European Program	9
Soviet Union and East European Program	10
World-Wide Mission Costs	11
Voice of America	12
Television and Film Service	13
Educational and Cultural Affairs	14
Program Coordination, Production, and Support	15
Agency Direction and Management	16
Administrative Support from Other Agencies	17

UNITED STATES INFORMATION AGENCY

General Statement, Salaries and Expenses Appropriation, 1991

This appropriation account finances the bulk of the Agency's operations, including our overseas missions; programming and operating components of the Voice of America; staffing for educational and cultural exchange programs; domestic program support for our overseas missions; the Television and Film Service; and overall Agency program direction and administrative support.

USIA's 1991 budget request for the Salaries and Expenses appropriation totals $643.5 million. Compared to a 1990 anticipated appropriation of $635.1 million, the 1991 request will:

-- Provide for wage and price increases and other built-in needs that, while unexciting, are vital for the maintenance of a quality world-wide public diplomacy program (increase ... $25.0 million).

-- This built-in requirement is partially offset by the return of costs for additional administrative services -- transferred to USIA in the 1990 budget -- to the State Department in 1991 (decrease...$20.6 million).

-- Provide $9.8 million for 1991 Federal pay raises in accordance with Administration policy, including an across-the-board increase of 3.5 percent and an averaged increase of 22 percent for Executive Schedule, Senior Executive Service, and Senior Foreign Service employees, consistent with legislation passed last year.

-- Allow for the 1991 costs of U.S. participation in the Columbus Quincentennial Exposition in Seville, Spain and Genoa, Italy in 1992 (increase ... $4.3 million).

-- Provide for the reestablishment of a USIS post in Kabul, Afghanistan ($.2 million).

-- To accommodate one-half of the Federal pay raise in 1991 and other requirements noted above, the Agency will make staff and program reallocations in the Salaries and Expenses appropriation totalling $10.3 million, continuing a trend begun in 1987. While the exact sources of these funds are still being determined, they are likely to include the following:

    -- In our overseas operations, reductions totalling $4.0 million. This would involve curtailment of USIS activities around the globe and the elimination of 77 positions, including 22 Americans and 55 foreign nationals.

UNITED STATES INFORMATION AGENCY

General Statement, Salaries and Expenses Appropriation, 1991

-- In the Voice of America, savings of $3.3 million, primarily associated with scheduled 1990 reductions in personnel, broadcast hours, and possibly language services. (The Agency is developing a proposal to transfer funds from the Radio Construction account to obviate the need for eliminating these language services.)

-- In the Agency's domestic structure supporting overseas operations, reductions of $3.0 million and 31 positions throughout the range of program and administrative services.

SALARIES AND EXPENSES
SUMMARY OF DIRECT OBLIGATIONS BY ACTIVITY

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Area Programs:				
East Asian and Pacific Affairs........................	37,976,599	37,132,287	39,387,300	2,255,013
African Affairs..	25,651,447	26,081,344	28,212,900	2,131,556
North African, Near Eastern, and South Asian Affairs.	32,182,244	32,274,468	35,032,100	2,757,632
American Republics Affairs............................	29,944,481	30,857,377	32,805,700	1,948,323
West Europe..	50,657,777	52,174,418	55,131,300	2,956,882
Soviet Union and East Europe..........................	18,425,535	20,990,290	22,030,200	1,039,910
World-Wide Mission Costs..............................	27,973,053	28,876,623	31,267,800	2,391,177
Sub-total, Area Programs...........................	222,811,136	228,386,007	243,867,300	15,480,493
Voice of America......................................	170,483,458	169,586,351	174,775,200	- 5,188,849
Television and Film Service...........................	37,124,924	31,500,174	30,957,600	-542,574
Educational and Cultural Affairs......................	36,330,224	35,651,530	36,470,700	819,170
Program Coordination, Production, and Support........	39,114,835	42,176,853	41,585,400	-591,453
Agency Direction and Management.......................	57,750,879	56,186,697	55,996,200	-190,497
Administrative Support from othe Agencies............	53,266,020	56,483,595	59,876,600	3,393,005
Total, Direct Obligations (Comparative Basis)......	616,881,476	619,972,007	643,529,000	23,556,993
Add Unobligated Balance Lapsing.......................	833,881	0	0	0
Comparative Transfer of Overseas Support Activities Financed by Dept. of State Prior to 1990 and in 1991.	0	20,634,000	0	-20,634,000
Deduct Recoveries of Prior-year Obligations............	-1,033,629	0	0	0
Deduct Balances Carried In............................	-5,709,451	-5,697,007	0	5,697,007
Add Balances Carried Out..............................	5,697,007	0	0	0
Comparative Transfer for Separate Appropriation for the Office of the Inspector General Beginning in 1990....	3,477,716	0	0	0
Add Transfer to the International Cultural and Trade Center Comm...	200,000	200,000	0	-200,000
Total, Enacted and Estimated Appropriations......	620,347,000	635,109,000	643,529,000	8,420,000

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

Summary of Personnel Compensation and Other Objects of Expense - Fiscal Years 1989, 1990 and 1991

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
10 Personnel Compensation and Benefits								
11 Personnel Compensation								
Full-time Permanent:								
Departmental........................	4,107.0	$161,803,374	3,875.0	$157,883,129	3,843.0	$162,509,360	-32.0	$ 4,626,231
Overseas American..................	985.0	50,762,152	975.0	52,747,279	960.0	55,611,017	-15.0	2,863,738
Foreign National...................	3,830.0	64,261,564	3,765.0	71,613,325	3,710.0	76,645,572	-55.0	5,032,247
Subtotal, Full-time Permanent.....	8,922.0	276,827,090	8,615.0	282,243,733	8,513.0	294,765,949	-102.0	12,522,216
Pay above stated annual rate.......	0	0	0	0	0	1,076,863	0	1,076,863
Deduct net lapse...................	-575.0	-18,206,400	-519.0	-16,347,736	-581.0	-18,522,195	-62.0	-2,174,459
Positions abolished during the year	13.0	520,167	103.0	4,076,166	86.0	3,591,712	-17.0	-484,454
Deduct net savings due to lower pay scales for part of the year..	0	-2,150,542	0	-1,790,560	0	-2,649,141	0	-858,581
Subtotal, Net Permanent..........	8,360.0	256,990,315	8,199.0	268,181,603	8,018.0	278,263,188	-181.0	10,081,585
Positions of Other Agencies Filled by USIA Personnel...........	18.0	1,184,974	20.0	1,291,666	20.0	1,492,872	0	201,206
Special Personal Services Payments:								
USIA positions filled by personnel from other agencies...............	8.0	523,989	11.0	833,918	11.0	862,211	0	28,293
Payments to OPM for re-employed annuitants............	0.0	74,984	0.0	86,631	0.0	89,658	0	3,027
Positions Other than Permanent:								
Temporary employment...............	127.0	3,474,376	180.0	4,841,840	178.0	5,138,816	-2.0	296,976
Part-time employment...............	105.0	2,645,049	98.0	2,428,731	93.0	2,526,624	-5.0	97,893
Intermittent employment............	8.0	368,996	7.0	414,792	7.0	428,963	0	14,171

Summary of Personnel Compensation and Other Objects of Expense - Fiscal Years 1989, 1990 and 1991

	1988 Actual		1989 Estimate		1990 Estimate		Increase or Decrease (-)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Other Personnel Compensation:								
Overtime (includes holiday pay for foreign nationals)............		$5,108,111		$5,392,728		$5,619,214		$226,486
Holiday pay (Americans only).......		1,555,197		1,481,860		1,522,742		40,882
Night work and Sunday differential.		2,740,925		2,941,330		3,081,646		140,316
Hardship post differential.........		3,446,269		3,637,142		3,753,561		116,419
Back Pay Awards....................		9,701		0		0		0
Danger pay.........................		123,052		117,250		120,671		3,421
Language incentive pay.............		520,806		526,676		542,397		15,721
Differential for domestic employees assigned overseas.......		154,284		207,398		162,841		-44,557
Premium pay for standby............		110		2,572		366		-2,206
Special allowances for FSOs........		24,907		28,397		29,289		892
Employee suggestion/cash performance awards................		2,497,660		2,800,587		2,910,744		110,157
Total, Personnel Compensation (11).	8,626.0	281,523,905	8,515.0	295,215,121	8,327.0	306,495,803	-188.0	11,280,682
12 Personnel Benefits								
Foreign Service Allowances:								
Quarters...........................		674,893		635,699		657,458		21,759
Temporary lodging..................		311,622		169,604		176,446		6,842
Living (post)......................		1,317,927		1,341,041		1,416,098		75,057
Separate maintenance...............		171,822		112,212		122,649		10,437
Transfer...........................		128,666		52,941		56,572		3,631
Education..........................		2,493,035		2,059,553		2,232,525		172,972
Supplementary post (and evacuation)		32,983		38,672		40,488		1,816
Home service transfers.............		154,545		163,900		163,900		0
Child care services................		4,146		10,000		10,000		0
Subtotal, Allowances...............		5,289,639		4,583,622		4,876,136		292,514

Summary of Personnel Compensation and Other Objects of Expense - Fiscal Years 1989, 1990 and 1991

	1988 Actual		1989 Estimate		1990 Estimate		Increase or Decrease (-)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Payments to Funds:								
FICA................................		$5,686,187		$6,554,564		$6,912,884		$358,320
FEGLIC..............................		421,639		429,002		481,566		52,564
Thrift Savings Plan.................		2,069,790		2,168,875		2,224,785		55,910
Civil Service and Foreign Service Retirement.................		11,382,150		11,538,236		11,992,030		453,794
Federal Employees' Retirement Systems (FERS and FSPS)............		10,869,694		11,696,356		12,049,192		352,836
Health Benefits.....................		7,723,251		9,247,294		10,423,822		1,176,528
Subtotal, Payments to Funds........		38,152,711		41,634,327		44,084,279		2,449,952
Additional Pay for Service in Hawaii.		75,220		104,685		107,477		2,792
New York City Housing Allowance......		95,183		40,000		40,000		0
Relocation Expenses..................		57,228		67,880		53,508		-14,372
Benefits for USIA Personnel Detailed to Other Agencies..........		230,870		279,574		287,574		8,000
Special Foreign National Benefits....		8,418,352		8,773,039		9,501,114		728,075
Workmen's Compensation Fund..........		752,951		787,769		844,769		57,000
Total, Personnel Benefits (12)......		53,072,154		56,270,896		59,794,857		3,523,961
13 Benefits for Former Personnel:								
Severance Pay.......................		2,253,547		2,030,586		1,350,252		-680,334
Unemployment Compensation...........		94,180		97,648		97,648		0
Subtotal, Benefits for Former Personnel...................		2,347,727		2,128,234		1,447,900		-680,334
Total, Personnel Compensation and Benefits (Gross)...............		336,943,786		353,614,251		367,738,560		14,124,309
Less Reimbursements, Primarily for Details to Other Agencies...........	18.0	-5,528,188	-20.0	-7,521,000	-20.0	-7,732,206	0	-211,206
Total, Personnel Compensation and Benefits (Net)...............	8,644.0	331,415,598	8,495.0	346,093,251	8,307.0	360,006,354	-188.0	13,913,103

Summary of Personnel Compensation and Other Objects of Expense - Fiscal Years 1989, 1990 and 1991

		1988 Actual		1989 Estimate		1990 Estimate		Increase or Decrease (-)	
		Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
21.0	Travel and transportation of persons....................		$15,217,186		$16,065,051		$15,278,510		-786,541
22.0	Transportation of things.......		13,502,982		13,237,320		14,267,706		1,030,386
	Rent, communications, and Utilities:								
23.1	Standard level user charges....		26,725,333		27,685,772		29,177,458		1,491,686
23.2	Other rent.....................		18,420,760		18,690,152		22,191,888		3,501,736
23.3	Communications and utilities......................		43,379,383		44,225,283		44,686,956		461,673
24.0	Printing and reproduction......		2,033,623		1,837,825		1,845,111		7,286
25.0	Other services.................		59,631,987		57,821,179		59,451,029		1,629,850
25.1	Services of other agencies.....		29,126,085		31,593,637		33,008,956		1,415,319
25.2	Representation/entertainment in the U.S.....................		1,114,707		1,242,180		1,230,000		-12,180
26.0	Supplies and materials.........		34,075,739		29,917,811		31,141,563		1,223,752
31.0	Equipment......................		24,217,952		15,557,459		15,406,282		-151,177
41.0	Grants, subsidies and contributions..................		17,907,002		15,904,106		15,737,183		-166,923
42.0	Insurance claims and indemnities....................		113,139		100,981		100,004		-977
	Total, Other Objects..........		285,465,878		273,878,756		283,522,646		9,643,890
	Total, Direct Obligations (Comparative Basis)...........	8,644.0	616,881,476	8,495.0	619,972,007	8,307.0	643,529,000	-188.0	23,556,993

Summary of Personnel Compensation and Other Objects of Expense - Fiscal Years 1989, 1990 and 1991

	1988 Actual		1989 Estimate		1990 Estimate		Increase or Decrease (-)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Reconciliation of Obligations to Appropriation:								
Total, Direct Obligations (Comparative Basis)................	8,644.0	$616,881,476	8,495.0	$619,972,007	8,307.0	$643,529,000	-188.0	$23,556,993
Add Unobligated Balance Lapsing......		833,881		0		0		0
Comparative Transfer of Overseas Support Activities Financed by Dept. of State Prior to 1990 and in 1991............................		0		20,634,000		0 0 0		0 0 -20,634,000
Deduct Recoveries of Prior-year Obligations..\.......................		-1,033,629		0		0		0
Deduct Balances Carried In...........		-5,709,451		-5,697,007		0		5,697,007
Add Balances Carried Out.............		5,697,007		0		0		0
Comparative Transfer for Separate Appropriation for the Office of the Inspector General Beginning in 1990		3,477,716		0		0		0 0 0
Add Transfer to the International Cultural and Trade Center Comm.....		200,000		200,000		0		-200,000
Enacted and Requested Appropriations..................	8,644.0	620,347,000	8,495.0	635,109,000	8,307.0	643,529,000	-188.0	8,420,000

OVERSEAS MISSIONS OPERATIONS SUMMARY

Directors for Geographic Areas

The Directors for Geographic Areas are responsible for the formulation, content, direction and effectiveness of the overseas mission programs in the countries of their assigned areas. The Directors for Geographic Areas communicate Agency policies and priorities to the field, provide overall guidance to the posts, evaluate field performance and represent the field posts in domestic Agency matters. These responsibilities are carried out with the guidance of the Bureau for Programs and the Counselor of the Agency. The Counselor of the Agency assists the Director in the overall direction of the Agency especially with regard to policy formulation, coordination, and oversight of the activities of the Area Directors.

The Area Directors and their deputies spend a considerable portion of their time in the field performing their duties. They are the prime Washington source of expertise for their areas on policy issues and on the public opinion factors in policy formulation and execution. They provide continuing contact with the Department of State and other government agencies on area matters.

Organization and Operation of Missions

The Agency's overseas missions operate as an integral part of the United States Diplomatic Mission in each country. Each country operation is headed by a Public Affairs Officer who reports within the Agency to the appropriate Director for the area. In the field, the Public Affairs Officer serves as a member of the United States team coordinated by the Chief of the Diplomatic Mission. Each Country Public Affairs Officer is assisted by a staff of American and foreign national employees. The staff varies in size with the scope of the country program undertaken by the Agency. Operations are conducted in some countries at consulates and at outposts in consular districts as well as at the principal post.

While much of the operational activity is carried out by foreign national employees, the Public Affairs Officers supervise this activity and, together with their American staffs, maintain the important contacts. The American staffs plan, direct and supervise program projects. Matters involving classified information are handled by American personnel. Reporting and appraisal of progress are also the responsibilities of the American staff.

Description of Principal Activities of Overseas Missions

The principal program activities involved in overseas mission operations vary from country to country, depending upon such considerations as United States objectives, local communications habits, audience groups to be reached, etc. The most common aspects and cost components of mission activities are described below. The program activities that make up each geographic area section that follows this summary section are arranged in this order:

Radio activities: the production and adaptation of radio news and feature programs, including VOA package programs and music transcription libraries for placement on local radio stations; the promotion of VOA programs broadcast to the area; the operations of Radio in the America Sector (RIAS) in Berlin; and the purchase of radio supplies, equipment, and maintenance services.

Press and publications activities: the production and distribution of periodicals, consisting of magazines, newspaper supplements, wall newspapers, newsletters and bulletins, including the preparation of local inserts for the distribution of publications supplied by the Press and Publications Service (P/P) from Washington and a Regional Service Center in Manila; the placement in local publications of articles and features produced locally, and news and feature materials supplied from Washington by the Press and Publications Service, including materials from the Wireless File; production and distribution to select groups or to particular audiences of pamphlets, leaflets, posters and photo displays; and purchase of paper, supplies, equipment and related materials required to support these activities.

Television and film activities: the local production of television programs, documentary films, newsreels, and special coverage targeted to indigenous audiences; adaptation for local use of program materials produced or acquired by the Television and Film Service in Washington; the facilitation of production and promotion of WORLDNET and other programs transmitted by satellite by the Television and Film Service; the maintenance of film libraries; the distribution and exhibition of films and videotape recordings through local theatrical and TV outlets, through loans to private organizations and government channels, and by direct projection and closed-circuit showings by members of the overseas mission staff; purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials; and RIAS television in Berlin.

American centers and related activities: the rental, operation, maintenance, and support of American centers, libraries and library extension services, and other program distribution outlets including purchase of publications and equipment for mission libraries; translation, publication and distribution abroad of books which further Agency objectives; production and display of small-scale exhibits supplied by the Exhibits Service (P/E) from Washington and of exhibits constructed locally; purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; and English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs. Other related activities include conducting and supporting programs that promote all aspects of American life and culture through seminars, conferences, lectures, concerts and art exhibitions, including the overseas administration of the Exchange of Persons Program, encouragement of and assistance to foreign universities in establishing courses in American studies, and promotion of projects conducted under the Cultural Presentations Program and Special International Exhibitions Program.

Binational center expenses: grants of cash and material procured locally or in the U.S. to Binational Centers to provide assistance for center operations, to conduct English-teaching seminars, and to conduct special projects in support of Agency programs. In addition, capital assistance grants are made to selected centers to assist them in acquiring adequate space for their activities. The Agency recognizes two categories of centers. Class "A" centers have an Agency-assigned American officer as Center Director and may receive other continuing support from the Agency for program operations and capital improvements. All other centers, designated as Class "B" centers, receive USIS staff, fianancial or material assistance only on a project-by-project basis when they serve as the best means to accomplish a given USIS objective.

Program direction: travel by the Area Directors and their staffs; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines, and newspapers for staff use; and travel and other expenses for local research activities to assist in tailoring local programs and to assess the effectiveness of mission operations.

Other Program Expenses: residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

A summary of the number of countries and posts by area follows:

OVERSEAS MISSIONS OPERATIONS SUMMARY

Number of Countries and Posts

	1989		1990		1991	
	Countries	Posts	Countries	Posts	Countries	Posts
East Asia and Pacific.........	14	35	14	35	14	35
Africa........................	36	43	36	43	36	43
North Africa, Near East, and South Asia...............	21	36	21	36	22	37
American Republics............	26	33	26	33	26	33
West Europe...................	23	42	23	42	23	42
Soviet Union & East Europe....	8	16	8	16	8	16
Total....................	128	205	128	205	129	206

EAST ASIA AND PACIFIC PROGRAM

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements	$37,976,599 a/	$37,132,287 a/	$39,387,300	$2,255,013

General Statement

I. SUMMARY

The Agency plans to continue informational and cultural programs in the 14 countries in the East Asia and Pacific area where it maintains a permanent presence, in addition to 10 countries of the Pacific Islands region which are served by an office in Hawaii. In 1991, activities at 35 posts will be supported by a domestic area office of 21. The overseas staff will consist of 96 American and 529 foreign national employees. In 1991, a total of $39,387,300 is requested for East Asia and Pacific Programs. The net increase of $2,255,013 over the 1990 level to meet wage and price increases and other built-in requirements will only partially maintain the reduced level of programming established in 1990.

II. 1989 AND 1990 PROGRAMS

Economic and trade problems are priority issues for Agency programming throughout much of East Asia, as are concerns affecting our security and political interests. Our posts continue to seek support of U.S. policies on these issues, explaining our bilateral positions and the underlying political and strategic considerations which dictate them.

American relations with Japan are of paramount importance, given that country's status as the second largest economic power in the world and its pivotal position as a close U.S. ally. Despite a general recognition in both countries of the need for close ties, there is still a good deal of dissatisfaction in Congress, government agencies and the business community regarding Japan's efforts to reduce the severe trade imbalance. There are frequent calls for Japan to do more--eliminate non-tariff barriers, simplify the distribution system, increase market access for American products and services. Internal political pressures have made Japanese leaders reluctant to allow greater foreign penetration of their markets. Meanwhile, Japanese domestic opposition to a more rapid defense build-up, advocated by important segments of American public opinion, continues. USIS must use the means at its disposal to explain our position on bilateral issues of importance before the Japanese public and policy makers--particularly at a time when the Japanese are beginning to draft somewhat more independent international policies. We must also address perceptions about American society and culture which are often superficial and filtered through the distorting lens of a profoundly different and proud culture. There is a nationalist stirring in Japan, stimulated by its domestic and international economic success, and we must remain alert to all its ramifications.

---

a/ For comparative purposes, includes $3,206 in 1989 and $6,229 in 1990 for program costs in Burma that were funded from remaining balances from the former Salaries and Expenses (Special Foreign Currency Program) appropriation.

II. 1989 AND 1990 PROGRAMS (continued)

Korea's importance to U.S. interests results from its strategic location, extensive U.S. military presence, and its newly achieved economic power. Although most Koreans accept the elected legitimacy of the current Roh administration, influential regional and student groupings loudly proclaim the opposite. The coming of democracy has dulled the charge that the U.S. had cynically supported a Korean dictatorship, but deeply engrained myths color perceptions concerning the U.S. strategic role in Korea, the part played by the U.S. in keeping North and South Korea divided, and American involvement in the 1978 Kwangju crisis. Anti-Americanism, a nagging problem in this highly nationalistic country, remains significant. The lifting of restrictions on the media has given USIS better access to opinion makers, but it is also clear that freer print and electronic media are not always supportive of American goals. Korea's rapidly growing economy enjoys a large trade surplus with the United States. Much of our work in Korea is aimed at convincing the Koreans that their new economic status carries with it responsibilities. USIS has a major role to play in countering misinformation about American economic policies and in overcoming shrill nationalist opposition to U.S. efforts to further open Korean markets. At the same time, we must help demonstrate America's support for the country's new democratic freedoms. Adjusting ourselves to the more dynamic communications climate which is evolving has led to a modest increase in the distribution of our information publication aimed at the large and volatile student population.

Since the tragic events of June, 1989, U.S.-China relations have entered a tense new period. China's will and ability to persevere in economic reform is now an open question. Political reforms have been postponed indefinitely, if not actually reversed. The U.S., and to a lesser extent other western nations, are seen as major sources of the evils of "bourgeois liberalization" that China's hard-line leaders continue to rail against. The Voice of America has been singled out for the harshest vilification, and its Chinese-language broadcasts are being jammed by the Chinese authorities. The U.S. is charged with pursuing a policy of "peaceful evolution," aimed at bringing about the collapse of socialist societies around the world. USIA's information, educational and cultural programs have been identified as principal tools in this policy. Chinese leaders are reconsidering their policy of sending large numbers of students and scholars to the U.S. for study and training. The Chinese side suspended the Fulbright program for 1989 - 1990, and although negotiations for resumption of the program are ongoing, the outcome is uncertain. USIS Beijing's contacts with influential individuals in the media, academia and the arts have been circumscribed. The International Visitor program has been seriously affected as potential visitors to the U.S. are dissuaded from direct contact with official Americans. Although the Chinese leadership has restated its commitment to an "open policy" and continues to encourage foreign investment and private exchanges, prospects for a near-term resumption of official exchanges at the same high level and in the same cooperative spirit of less than a year ago are slim. At this difficult time, USIA must respond with innovative and adaptive programs that will keep the channels of communication and relationships developed over the last decade alive. Particular support must be given to the Voice of America, a primary source of information on the outside world for millions of Chinese listeners, despite the jamming. The openness fostered by China's leaders since 1978 cannot be reversed all at once -- students, scholars, journalists, business people, as well as government officials, have seen the benefits that reform and international exchange and involvement can bring. The current repression cannot last long, and USIA -- through people-to-people contacts and programs in less politically sensitive areas -- is, and will continue to be, in the forefront of efforts to keep the spark of the old relationship alive as we press for better days to come. Continued support for USIA's China program is essential to ensure that those programs that are possible can be carried out and that the infrastructure for exchanges is in place, so that we can move forward quickly when the climate is once again amenable.

II. 1989 AND 1990 PROGRAMS (continued)

The confidence of Hong Kong citizens in their future after 1997 was severely damaged by the tragedy of June in China. Yet hope remains that Hong Kong can continue to play a central role as an economic and information entrepot and can maintain its separate identity as an open and increasingly important center of international trade and finance, even after its return to Chinese rule. As 1997 approaches and the British presence decreases, U.S. economic and political interests in Hong Kong will grow, and U.S. presence and support will become increasingly important to the confidence of Hong Kong citizens. USIA information and cultural programs explain U.S. policies and institutions and reassure Hong Kong of U.S. support for its unique and valued position in East Asia.

As a former colony and current treaty partner hosting two key U.S. military facilities, the Philippines has had a unique relationship with the U.S. for many decades. The overthrow of the Marcos regime by the unprecedented phenomenon which was called "People Power" brought President Corazon Aquino to office in February, 1986. But serious economic problems, internal political squabbles, a continuing insurgency, and a series of attempted coups (during the most recent of which 100 people were killed and 600 wounded) continue to trouble the Aquino government. A rising nationalism tinged with anti-Americanism characterized some public discussion of U.S. (military) support for Aquino during the recent coup attempt. Although polls show wide-spread support for the U.S. presence in the Philippines, the strength of nationalist fervor, particularly among young urban elites, presages a most contentious renegotiation of the bases agreement (due to begin in February 1990) which expires in 1991. During the lead-up to the renegotiations, USIS has had a major role in articulating the importance of the U.S. facilities in the economy of the Philippines and in regional stability. Our continued support of the Philippines leads some Filipinos to berate our efforts as vestiges of American imperialism, while others criticize the meagerness of this same support. In this environment, our post in Manila and branch posts in Cebu and Davao contribute to ensuring that Filipino decision-makers and potential leaders of all political persuasions are kept informed of U.S. policy toward their country.

The Association of Southeast Asian Nations (ASEAN) generally support U.S. regional policies in Southeast Asia. This six-member economic and political grouping, consisting of Thailand, the Philippines, Indonesia, Malaysia, Singapore and Brunei, has interests closely paralleling those of the U.S.; U.S. and ASEAN policies toward Vietnam and a freely chosen Cambodian government remain in concert. The USG maintains close defense ties with the Philippines and Thailand through bilateral mutual defense agreements. Indonesia, Malaysia, Singapore and Brunei are moderate non-aligned countries generally sympathetic to Western positions. Trade between ASEAN and the U.S. is strong and growing, marred only by ASEAN concern about threatened U.S. protectionism, by U.S. concern over growing trade deficits with several of these newly industrialized economies, and by disputes over issues such as the protection of intellectual property rights. Illicit narcotics production and trafficking as well as refugee resettlement continue to be sensitive issues requiring special public diplomacy efforts. High interest among Southeast Asian students in attending U.S. universities is encouraged by USIS student counseling and English teaching programs.

After more than two decades under the authoritarian leadership of Ne Win, Burma erupted in demonstrations that toppled two governments. Hopes for a new, democratic government in Burma were dashed when the military acted to regain control. In the wake of the brutal suppression of the demonstrations, the U.S. suspended foreign aid to Burma, and our bilateral relations have, for the moment, cooled. While contact between our post and the Burmese is limited, we continue to seek opportunities to work with the Burmese people to keep the movement for democracy alive.

II. 1989 AND 1990 PROGRAMS (continued)

In the Southwest Pacific, USIA's major effort is to accentuate the common basic values which unite our peoples. The strategic importance of the area is recognized by our active naval presence and in the proliferation of small U.S. embassies in the mini-states of the Pacific. In Australia, USIA efforts to explain U.S. policies have paid off in maximizing the success of U.S. Navy ship visits while minimizing the effects of demonstrations against them. Meanwhile, anti-nuclear agitation, which resulted in the banning of U.S. navy ships from New Zealand ports and the suspension of all bilateral military cooperation, shows no sign of abating. The U.S. reluctancy to sign the protocols of the South Pacific Nuclear Free Zone Treaty puts us at odds with a large portion of the region. Nuclear sensitivity, which could impede U.S. global-deterrence strategy, provides an ongoing challenge for public diplomacy. The Soviet Union is continuing to seek commercial and economic inroads of strategic potential in the new nations of Oceania.

USIA research surveys show that a lack of understanding of American society contributes to anti-Americanism in New Zealand, and, to a lesser extent, Australia. USIA grants for university linkages supporting faculty exchanges and USIA international visitor programs for leading influentials contribute to greater understanding of American positions and values. USIA/USIS highlighted the active U.S. participation in Australian-hosted international conferences on chemical weapons and Asia-Pacific economic cooperation, which, along with a more active U.S. stance in dealing with global environmental concerns, has clarified U.S. sensitivity to issues of vital concern to Australians, New Zealanders and Pacific Islanders. The spirit of bilateral cooperation manifested in drafting the UN driftnet fishing resolution and in planning USIA-sponsored participation in the 1990 New Zealand Sesquicentennial, has underscored the basic mutual values which continue to imbue the relationship.

Through its country posts in Fiji and Papua New Guinea and its Pacific Island Program Office (PIPO) in Honolulu, USIA seeks to assure these small nations of our continued interest in their welfare. Support for regional media organisations, the Pacific Islands Broadcasters Association and the Pacific Islands News Association, provides opportunities for dialogue on the importance of a free press as well as for workshops conducted by U.S. experts. In Washington, USIA continues to coordinate with other U.S. government agencies in the implementation of a public diplomacy strategy with regard to the former trust territories which have joined in Compacts of Free Association: the Federated States of Micronesia and the Republic of the Marshall Islands. Fulbright lecturers and an English Teaching Fellow are serving in the Freely Associated States; support is being offered for eductional counseling, and a comprehensive needs survey has been accomplished to guide future support for library development in Micronesia. A full range of USIA programs in these countries and the other small nations in the region is made possible by the Agency's Pacific Islands Office in Honolulu, which sponsored Pacific Islands participation in a prestigious international conference in Maui.

In 1990, the overall reduction of the Agency's budget and the need to partially absorb such requirements as pay costs and exchange rate losses required the Area to reduce the East Asian program by $506,213. This included the elimination of nine foreign national positions and information program restructuring all in Japan.

EAST ASIA AND PACIFIC PROGRAM

III. 1991 PLANS

In 1991, a total of $39,387,300 is requested for East Asia and Pacific programs. Budget stringencies required program reductions in 1990 as noted above, and further reductions will be necessary in 1991. The net increase of $2,255,013 over the 1990 level will only partially maintain current level program requirements. Requested built-in increases consist of $858,460 for wage scale increases; $463,432 for inflationary price increases; $946,416 for multi-year lease payments due in 1991; and $727,146 for other net changes, primarily for Federal pay raises effective for part of 1990 and scheduled for 1991.

These increases are offset in large part by programmatic reductions of $740,441. These include: a restructuring of informational and library operations ($258,320); eliminating one American position in New Zealand ($53,486); elimination of seventeen foreign national employee positions and four contractual positions ($262,074); elimination of the DPAO position in Manila ($105,546); and elimination of the Assistant Public Affairs Advisor in the Pacific Islands Program Office ($61,015).

The justifications that follow explain the staff and activities financed with dollars under the Agency's regular "Salaries and Expenses" appropriation. The "Program Activity Costs" displayed below consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educational and Cultural Affairs, Program, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, detailed estimates for which are contained in the Administrative Support from Other Agencies section of this budget.

EAST ASIA AND PACIFIC PROGRAM

Summary of Requirements

	1989 Actual a/	1990 Estimate a/	1991 Estimate	Increase or Decrease (-)
POSITIONS:				
Domestic	22	22	21	-1
Overseas American	98	98	96	-2
Foreign National	555	546	529	-17
Total, Positions	675	666	646	-20
FUNDS:				
A. Domestic Employee Compensation and Benefits	$ 1,234,751	$ 1,372,921	$ 1,407,593	$ 34,672
B. Overseas American Employee Compensation & Benefits	7,643,816	8,083,909	8,512,253	428,344
C. Foreign National Employee Compensation & Benefits	15,762,908	15,951,217	16,857,997	906,780
D. Program Activity Costs:				
1. Radio	44,297	34,958	35,722	764
2. Press and Publications	1,691,212	1,256,715	1,194,874	-61,841
3. Television and Films	234,166	217,296	223,987	6,691
4. American Centers and Related Activities	5,501,773	5,150,700	5,791,210	640,510
5. Binational Center Assistance	35,931	9,535	9,608	73
6. Program Direction	278,189	354,713	366,216	11,503
7. Other Program Expenses	5,627,997	4,822,323	5,109,840	287,517
Subtotal, Activity Costs	13,413,565	11,846,240	12,731,457	885,217
Total, Gross Funds (Comparative Basis)	38,055,040	37,254,287	39,509,300	2,255,013
E. Deduct Reimbursements	-78,441	-122,000	-122,000	--
Total, Direct Funds (Comparative Basis)	37,976,599	37,132,287	39,387,300	2,255,013

a/ For comparative purposes, includes $3,206 in 1989 and $6,229 in 1990 for program costs in Burma that were funded from remaining balances from the former Salaries and Expenses (Special Foreign Currency Program) appropriation.

EAST ASIA AND PACIFIC PROGRAM

A. Domestic Employee Compensation and Benefits (1989 Actual, $1,234,751; 1990 Estimate, $1,372,921; 1991 Estimate, $1,407,593; Increase, $34,672).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Full-time permanent positions	22	22	21	-1
Salary and direct benefit costs	$1,234,751	$1,372,921	$1,407,593	$34,672

The net increase of $34,672 is requested to provide:

a. $11,000 for full-year costs of the January 1990 Federal pay raise;
b. $62,687 for the January 1991 Federal pay and Executive pay raises;
c. $12,000 for annualization of FICA and other benefit increases; and
d. $5,000 for one additional day's pay in 1991.

These increases are offset, in part, by a decrease of $56,015 for the 1991 programmatic decrease of one position, the Assistant Public Affairs Advisor in the Pacific Islands Program Office.

B. Overseas American Employee Compensation and Benefits (1989 Actual, $7,643,816; 1990 Estimate, $8,083,909; 1991 Estimate, $8,512,253; Increase, $428,344).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Full-time permanent positions	98	98	96	-2
1. Salary and direct benefit costs	$6,475,517	$7,145,029	$7,547,657	$402,628
2. Hardship post differentials	431,066	428,140	430,784	2,644
3. Foreign Service allowances	686,827	470,240	491,177	20,937
4. Rest and recuperation and family visitation travel .	50,406	40,500	42,635	2,135
Total	7,643,816	8,083,909	8,512,253	428,344

EAST ASIA AND PACIFIC PROGRAM

The net increase of $428,344 is requested to provide:

a. $62,000 for full-year costs of the January 1990 Federal pay raise;
b. $380,965 for the January 1991 Federal pay and Executive pay raises;
c. $60,135 for FICA, rest and recuperation travel, and other benefit increases;
d. $25,000 for one additional day's pay in 1991; and
e. $20,937 for inflationary price increases for foreign service allowances in 1991.

These increases are offset, in part, by a decrease of $120,693 for 1991 programmatic reductions of:

a. The DPAO position in Manila, Philippines ($74,550); and
b. The American position in Christchurch, New Zealand ($46,143).

EAST ASIA AND PACIFIC PROGRAM

C. Foreign National Employee Compensation and Benefits (1989 Actual, $15,762,908; 1990 Estimate, $15,951,217; 1991 Estimate, $16,857,997; Increase, $906,780).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Full-time permanent positions	555	546	529	-17
Salary and direct benefit costs	$15,762,908	$15,951,217	$16,857,997	$906,780

The net increase of $906,780 is requested to provide:

a. $91,392 for within-grade salary increases in 1991;
b. $858,460 for wage scale increases consisting of $294,204 for the full-year costs of increases effective for part of 1990, primarily in Australia ($16,430), Burma ($16,000), Hong Kong ($16,967), Japan ($178,900), New Zealand ($14,630), and Thailand ($38,541), and $564,256 for wage scale increases anticipated in 1991, primarily in Australia ($42,582), Hong Kong ($48,593), Indonesia ($42,453), Japan ($204,651), Korea ($102,386), Philippines ($46,130), and Thailand ($29,731);
c. $57,882 for one additional day's pay in 1991;
d. $152,634 for severance pay requirements for the seventeen positions abolished in the 1991 programmatic reductions in Indonesia (four positions and $30,197), Thailand (four positions and $37,636), Burma (one position and $6,078), Singapore (four positions and $43,611), Korea (one position and $16,791), Malaysia (one position and $8,937), and Philippines (two positions and $9,384); and
e. $8,486 for full-year requirements for 1990 exchange rate changes through 11/30/89.

These increases are offset, in part, by the savings of $262,074 from the seventeen positions and four contractual positions in China abolished in the 1991 programmatic reductions in Indonesia (four positions and $48,518), Thailand (four positions and $60,470), Burma (one position and $9,766), Singapore (four positions and $70,181), Korea (one position and $26,979), Malaysia (one position and $14,360), Philippines (two positions and $15,076), and China (four contractual positions and $16,724).

EAST ASIA AND PACIFIC PROGRAM

Domestic, overseas American and foreign national employee compensation and benefits provide for positions in the East Asia and Pacific Area as follows:

	1989 Actual			1990 Estimate			1991 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic	22	--	22	22	--	22	21	--	21
Country									
Australia	7	26	33	7	26	33	7	26	33
Burma	2	24	26	2	24	26	2	23	25
China	14	-- a/	14	14	-- a/	14	14	-- a/	14
Fiji	1	4	5	1	4	5	1	4	5
Hong Kong	3	36	[illegible]	3	36	39	3	36	39
Indonesia	11	58	69	11	58	69	11	54	65
Japan	20	126	146	20	117	137	20	117	137
Korea	11	73	84	11	73	84	11	72	83
Malaysia	3	28	31	3	28	31	3	27	30
New Zealand	3	12	15	3	12	15	2	12	14
Papua New Guinea	1	4	5	1	4	5	1	4	5
Philippines	10	74	84	10	74	84	9	72	81
Singapore	2	23	25	2	23	25	2	19	21
Thailand	10	67	77	10	67	77	10	63	73
Subtotal, Country	98	555	653	98	546	644	96	529	625
Total, Positions	120	555	675	120	546	666	117	529	646

a/ Special contractual employees.

EAST ASIA AND PACIFIC PROGRAM

D. Program Activity Costs (1989 Actual, $13,413,565; 1990 Estimate, $11,846,240; 1991 Estimate, $12,731,457; Increase, $885,217).

Program activity costs derive from the following: radio, press and publications, television and films, American centers and related activities, binational centers, program direction and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S&E budget, for a general description of the nature of these activities.)

1. Radio Activities (1989 Actual, $44,297; 1990 Estimate, $34,958; 1991 Estimate, $35,722; Increase, $764).

This program activity consists of the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services.

The increase of $764 is for full-year and new inflationary cost increases for locally procured services, travel, materials and supplies.

2. Press and Publications Activities (1989 Actual, $1,691,212; 1990 Estimate, $1,256,715; 1991 Estimate, $1,194,874; Decrease, $-61,841).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Periodicals	$ 468,640	$ 438,236	$ 424,988	$-13,248
b. Information placement	635,732	367,943	333,808	-34,135
c. Pamphlets and leaflets	287,374	231,634	237,176	5,542
d. Materials and equipment	299,466	218,902	198,902	-20,000
Total	1,691,212	1,256,715	1,194,874	-61,841

This program activity consists of: (a) production and distribution of periodicals; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets and posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities.

The net decrease of $61,841 is due to the 1991 program reductions related to changes in the publishing frequency of USIS periodicals in Japan ($79,000) and the restructuring of information placement activities in Singapore ($7,500) and Malaysia ($7,500) offset, in part, by an increase of $32,159 for full-year and new inflationary cost increases for the purchase of services, materials, and equipment.

3. Television and Film Activities (1989 Actual, $234,166; 1990 Estimate, $217,296; 1991 Estimate, $223,987; Increase, $6,691).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Production and adaptation	$121,366	$ 71,490	$ 73,076	$1,586
b. Distribution and promotion	94,632	131,551	136,656	5,105
c. Audio-visual equipment and maintenance	18,168	14,255	14,255	0
Total	234,166	217,296	223,987	6,691

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; and (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials.

The increase of $6,691 is for full-year and new inflationary cost increases.

EAST ASIA AND PACIFIC PROGRAM

4. American Centers and Related Activities (1989 Actual, $5,501,773; 1990 Estimate, $5,150,700; 1991 Estimate, $5,791,210; Increase, $640,510).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. American center operations	$4,408,871	$4,124,987	$4,730,530	$605,543
b. Book programs	26,360	20,463	21,382	919
c. Exhibits	43,281	51,141	52,660	1,519
d. Presentations	42,135	41,404	41,844	440
e. English teaching promotion	27,458	31,752	31,902	150
f. Lectures, seminars and other programs	953,668	880,953	912,892	31,939
Total	5,501,773	5,150,700	5,791,210	640,510

This program activity consists of: (a) operating, support and space costs for 24 cultural centers; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops, and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic and scientific achievements. At a number of posts, the costs of Engl[illegible]h-teaching materials, supplies, and equipment and certain library services are financed by receipts from English [illegible]ts and library users. Such fees are included in the reimbursement figures displayed in the summary tables in thi[illegible]on.

The net increase of $640,510 is requested to provide:

a. $185,164 for full-year and new inflationary cost increases for travel, transportation, supplies, rents and contractual services;

b. $604,353 for payment of leases due in 1991 in Indonesia ($140,290), Australia ($239,063), Korea ($200,000), and Philippines ($25,000); and

c. $100,000 for furnishings for the Seoul, Korea center.

These increases are offset, in part, by the following decreases:

a. $155,000 for the non-recurring costs for furnishings due to the security related relocations in Taegu, Korea ($70,000) and Davao, Philippines ($85,000); and
b. $94,007 for the 1991 programmatic reductions associated with library program restructuring in Korea ($5,000), Singapore ($7,500), Malaysia ($7,500), Japan ($23,000), and area-wide support ($51,007).

5. Binational Center Assistance (1989 Actual, $35,931; 1990 Estimate, $9,535; 1991 Estimate, $9,608; Increase, $73).

These funds provide for Agency assistance to binational center organizations in Thailand and Indonesia, including operating expenses of the centers and special activities undertaken by the center in support of Agency programs.

The increase of $73 will provide for full-year and new inflationary cost increases for locally procured services, travel, materials and supplies.

6. Program Direction (1989 Actual, $278,189; 1990 Estimate, $354,713; 1991 Estimate, $366,216; Increase, $11,503).

These funds provide for travel by the Area Director and his staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines and newspapers for staff use; and travel and other expenses for local research activities.

The net increase of $11,503 is for full-year and new inflationary cost increases in international air fares and overseas local travel costs of $14,003 offset, in part, by a decrease of $2,500 due to the 1991 programmatic reduction associated with the elimination of the Assistant Public Affairs Advisor position in Hawaii.

EAST ASIA AND PACIFIC PROGRAM

7. Other Program Expenses (1989 Actual, $5,627,997; 1990 Estimate, $4,822,323; 1991 Estimate, $5,109,840; Increase, $287,517).

These funds provide for residential and non-residential space costs in 14 countries, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The net increase of $287,517 is requested to provide:

a. $201,506 for full-year and new inflationary cost increases for rents, utilities, janitorial services and other administrative expenses;
b. $4,915 for full-year requirements of 1990 exchange rate changes through 11/30/89;
c. $342,063 for multi-year lease payments for residential space in Indonesia ($159,236), Australia ($40,744), and Singapore ($62,520), and non-residential space in Hong Kong ($53,000), and Australia ($26,563) due in 1991; and
d. $13,000 for annualization of maintenance costs related to the overseas automation initiative.

These increases are offset, in part, by the following decreases:

a. $2,000 for non-recurring costs related to the office relocation project in Guangzhou, China paid in 1990;
b. $160,815 for multi-year residential leases for Australia ($46,229) and Indonesia ($114,586) paid in 1990; and
c. $111,152 for the 1991 programmatic reductions associated with eliminating the American position in Christchurch, New Zealand ($7,343), eliminating the DPAO position in Manila, Philippines ($30,996), eliminating the Assistant Public Affairs Advisor position in Hawaii ($2,500) and reducing area-wide program support ($70,313).

EAST ASIA AND PACIFIC PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

	1989 Actual a/	1990 Estimate a/	1991 Estimate	Increase or Decrease (-)
POSITIONS:				
Domestic	22	22	21	-1
Overseas American	98	98	96	-2
Foreign National	555	546	529	-17
Total, Positions	675	666	646	-20
COSTS BUDGETED BY COUNTRY:				
Australia	$ 2,020,159	$ 1,666,912	$ 2,043,541	$ 376,629
Burma	507,342	470,550	507,863	37,313
China	1,632,834	1,371,258	1,428,784	57,526
Fiji	137,215	130,109	135,013	4,904
Hong Kong	1,217,997	1,485,382	1,646,917	161,535
Indonesia	1,304,698	1,427,241	1,671,424	244,183
Japan	13,510,472	12,317,759	12,807,142	489,383
Korea	2,998,524	3,028,177	3,400,884	372,707
Malaysia	676,165	647,179	650,172	2,993
New Zealand	622,175	636,069	663,252	27,183
Papua New Guinea	205,366	215,329	225,593	10,264
Philippines	1,513,355	1,591,882	1,596,040	4,158
Singapore	840,140	785,604	833,477	47,873
Thailand	2,015,575	1,908,317	2,000,055	91,738
Subtotal, Country Costs	29,202,017	27,681,768	29,610,157	1,928,389

EAST ASIA AND PACIFIC PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs (continued)

AREA-WIDE COSTS:	1989 Actual a/	1990 Estimate a/	1991 Estimate	Increase or Decrease (-)
Domestic Costs	$ 1,863,754	$ 1,916,505	$ 1,842,857	$ -73,648
Pacific Islands Regional Program Office	82,686	82,845	77,845	-5,000
American Employee Compensation and Benefits b/	6,906,583	7,573,169	7,978,441	405,272
Subtotal, Area-wide Costs	8,853,023	9,572,519	9,899,143	326,624
Total, Gross Funds (Comparative Basis)	38,055,040	37,254,287	39,509,300	2,255,013
Deduct Reimbursements	-78,441	-122,000	-122,000	--
Total, Direct Funds (Comparative Basis)	37,976,599	37,132,287	39,387,300	2,255,013

a/ For comparative purposes, includes $3,206 in 1989 and $6,229 in 1990 for program costs in Burma that were funded from remaining balances from the former Salaries and Expenses (Special Foreign Currency Program) appropriation.

b/ Excludes Foreign Service allowances and rest and recuperation travel which are paid at post and included in country costs.

AFRICAN PROGRAM

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements....................................	$25,651,447 a/	$26,081,344	$28,212,900	$2,131,556

General Statement

I. SUMMARY

In 1991 the Agency will carry out informational and cultural programs in 36 African countries with seven branch posts. Operations will include 37 American centers staffed by 87 Americans and 365 Foreign National employees overseas, directed and supported by a Washington-based staff of 25. In 1991, a total of $28,212,900 is requested for African programs. The net increase of $2,131,556 over the 1990 level to meet wage and price increases and other requirements will only partially maintain current service requirements.

II. 1989 AND 1990 PROGRAMS

Agency programs in Africa emphasize the benefits of free market economies, the vitality of pluralistic political systems and the stability to be gained from establishment or strengthening of democratic institutions and human rights. On a daily basis, our posts in Africa address a host of bilateral issues as well as key regional concerns such as U.S. policy toward South Africa, escalating refugee populations, famine relief, protection of the environment and drug trafficking.

These themes are supported by the full range of USIA program activities. During FY 1988 and FY 1989 Satellite Television Receiving Antennas (TVRO) were installed at 35 AF posts, which enabled them to participate in WORLDNET interactive dialogue programming. This very effective new communications tool, together with our more traditional telepress conferences, print media, AMPART, exchange and cultural programs, has had a major impact on our ability to establish and conduct effective communication with African decision-makers. Following the FY 1989 suspension of WORLDNET feed services and passive programming, local TV stations throughout Africa, which lack the resources to procure programs and found our programs invaluable, expressed strong disappointment at this action. They often were the sole foreign news service available.

In conjunction with media and information-oriented programs, cultural and educational programs are used to support long-term appreciation of American society, values and culture. English-teaching and linkages between African universities and American institutions are of increasing importance for us in Africa. Fulbright, International Visitor, and other exchange programs are central to continuing an open dialogue between the U.S. and African nations.

---

a/ For comparative purposes, includes $1,340 in 1989 for program costs in Guinea that were funded from remaining balances from the former Salaries and Expenses (Special Foreign Currency Program) appropriation.

AFRICAN PROGRAM

II. 1989 AND 1990 PROGRAMS (continued)

During fiscal years 1987 - 1990, overall budget stringencies have required the African Area to implement program reductions totaling almost 12 percent, including the elimination of 15 overseas American positions and the closing of two branch posts and one American center in 1987. Our strategic approach in implementing these reductions has been primarily to shave flexible program resources in an effort to preserve our presence in all 36 countries and to protect our personnel staffing, our most important and most effective program resource. This approach included a decrease of program funds by $238,639 in 1990. However, we are now at the point where further reductions will require us to close posts to ensure that our highest priority operations have sufficient flexible resources to carry out their basic program activities effectively.

III. 1991 PLANS

In 1991 a total of $28,212,900 is requested for African programs. The net increase of $2,131,556 over the 1990 level will only partially maintain current service requirements. Requested built-in increases consist of $704,297 for foreign national wage-scale increases; $1,065,860 for cost increases for services, procurement of supplies, materials and equipment, and other operating costs; $60,000 for full-year costs of Federal pay raises effective for part of 1990 and $367,328 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $84,000 for other built-in salary and benefit increases; $200,000 to renovate the center in Ouagadougou, Burkina Faso; $31,189 for full-year costs of exchange rate adjustments through November 30, 1989; $209,800 for multi-year lease payments due in 1991; and $37,000 for maintenance costs associated with the overseas automation initiative.

These increases are offset, in large part, by non recurring costs of $100,000 for renovation of the center in Dar-es-Salaam, Tanzania in 1990, and by 1991 programmatic reductions of $527,918 and 13 positions. The exact nature of these reductions is still under discussion. In the last four years, the Area has protected its posts, staff, and other infrastructure and applied reductions mainly to flexible program resources. However, to ensure that our highest priority operations continue to have sufficient flexible resources to carry out their programs effectively, we may have to achieve these 1991 savings by closing several posts.

AFRICAN PROGRAM

III. 1991 PLANS (continued)

The "Program Activity Costs" displayed in the justifications that follow consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educational and Cultural Affairs, Programs, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, detailed estimates for which are contained in the Administrative Support from Other Agencies section of this budget. As noted on page 2, the 1991 reductions in Africa are still under discussion. However, they are likely to include program activity costs totaling $334,278 which are displayed in the table on page 4 and by program activity on pages 9-12.

AFRICAN PROGRAM

Summary of Requirements

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	25	25	25	--	
Overseas American	89	89	87	-2	
Foreign National	376	376	365	-11	
Total, Positions	490	490	477	-13	6-7
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 1,063,084	$ 1,209,386	$ 1,291,147	$ 81,761	6-5
B. Overseas American Employee Compensation & Benefits	6,576,770	6,850,905	7,199,277	348,372	6-5
C. Foreign National Employee Compensation & Benefits	5,318,140	5,950,266	6,600,046	649,780	6-6
D. Program Activity Costs:					
1. Radio	126,875	124,460	123,827	-633	6-9
2. Press and Publications	1,392,619	1,031,192	1,053,831	22,639	6-9
3. Television and Films	477,415	343,999	339,342	-4,657	6-10
4. American Centers and Related Activities	5,797,822	6,609,530	7,027,903	418,373	6-11
5. Program Direction	640,870	601,113	653,699	52,586	6-12
6. Other Program Expenses	5,649,912	5,329,493	5,892,828	563,335	6-12
Subtotal, Activity Costs	14,085,513	14,039,787	15,091,430	1,051,643	
Total, Gross Funds (Comparative Basis)	27,043,507	28,050,344	30,181,900	2,131,556	
E. Deduct Reimbursements	-1,392,060	-1,969,000	-1,969,000	--	
Total, Direct Funds (Comparative Basis)	25,651,447	26,081,344	28,212,900	2,131,556	

a/ For comparative purposes, includes $1,340 in 1989 for program costs in Guinea that were funded from remaining balances from the former Salaries and Expenses (Special Foreign Currency Program) appropriation.

AFRICAN PROGRAM

A. Domestic Employee Compensation and Benefits (1989 Actual, $1,063,034; 1990 Estimate, $1,209,386; 1991 Estimate, $1,291,147; Increase, $81,761).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Full-time permanent positions......................	25	25	25	--
Salary and direct benefit costs....................	$1,063,034	$1,209,386	$1,291,147	$81,761

The increase of $81,761 is requested to provide:

a. $10,000 for full-year costs of Federal pay raises effective for part of 1990;
b. $57,761 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise ($25,453) and an averaged 22 percent executive increase ($32,308);
c. $10,000 for FICA, Medicare and health insurance increases; and
d. $4,000 for one additional day's pay in 1991.

B. Overseas American Employee Compensation and Benefits (1989 Actual, $6,576,770; 1990 Estimate, $6,850,905; 1991 Estimate, $7,199,277; Increase, $348,372).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Full-time permanent positions......................	89	89	87	-2
1. Salary and direct benefit costs................	$5,363,154	$5,771,699	$6,099,244	$327,545
2. Hardship post differentials....................	601,199	590,870	584,752	-6,118
3. Foreign Service allowances.....................	501,743	388,336	405,326	16,990
4. Rest and recuperation travel...................	110,674	100,000	109,955	9,955
Total..	6,576,770	6,850,905	7,199,277	348,372

AFRICAN PROGRAM

The net increase of $348,372 is requested to provide:

a. $50,000 for full-year costs of Federal pay raises effective for part of 1990;
b. $309,567 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise ($134,189) and an averaged 22 percent executive increase ($175,378);
c. $49,000 for FICA, Medicare and health insurance increases;
d. $21,000 for one additional day's pay in 1991; and
e. $41,945 for cost increases for Foreign Service Allowances ($31,990) and for rest and recuperation travel ($9,955).

As noted on page 2, the details of the 1991 reductions in Africa are still under discussion. However, they are likely to include the elimination of two overseas American positions, for a savings of $123,140.

C. Foreign National Employee Compensation and Benefits (1989 Actual, $5,318,140; 1990 Estimate, $5,950,266; 1991 Estimate, $6,600,046; Increase, $649,780).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Full-time permanent positions......................	376	376	365	-11
Salary and direct benefit costs....................	$5,318,140	$5,950,266	$6,600,046	$649,780

The net increase of $649,780 is requested to provide:

a. $614,210 for foreign national employee wage-scale increases, consisting of $224,318 for increases effective for part of 1990 and $389,892 for increases anticipated in 1991;
b. $67,680 for within-grade salary increases in 1991;
c. $22,407 for one additional day's pay in 1991; and
d. $15,983 for net full-year costs of exchange rate adjustments through November 30, 1989.

As noted on page 2, the details of the 1991 reductions in Africa are still under discussion. However, they are likely to involve the elimination of 11 foreign national positions, for a savings of $70,500.

AFRICAN PROGRAM

Domestic, overseas American, and foreign national employee compensation and benefits provide for positions in the African Area as follows:

	1989 Actual			1990 Estimate			1991 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic................................	25	--	25	25	--	25	25	--	25
Country and Regional Element:									
Benin................................	1	5	6	1	5	6	1	5	6
Botswana.............................	1	5	6	1	5	6	1	5	6
Burkina Faso.........................	1	6	7	1	6	7	1	6	7
Burundi..............................	1	4	5	1	4	5	1	4	5
Cameroon.............................	4	11	15	4	11	15	4	11	15
Central African Republic.............	1	4	5	1	4	5	1	4	5
Chad.................................	1	4	5	1	4	5	1	4	5
Congo................................	1	4	5	1	4	5	1	4	5
Ethiopia.............................	2	6	8	2	6	8	2	6	8
Gabon................................	1	6	7	1	6	7	1	6	7
Ghana................................	3	16	19	3	16	19	3	16	19
Guinea...............................	2	4	6	2	4	6	2	4	6
Ivory Coast..........................	4	13	17	4	13	17	4	13	17
Kenya................................	4	20	24	4	20	24	4	20	24
Lesotho..............................	1	6	7	1	6	7	1	6	7
Liberia..............................	3	11	14	3	11	14	3	11	14
Madagascar...........................	2	9	11	2	9	11	2	9	11
Malawi...............................	1	5	6	1	5	6	1	5	6
Mali.................................	1	6	7	1	6	7	1	6	7
Mauritius............................	1	3	4	1	3	4	1	3	4
Mozambique...........................	1	2	3	1	2	3	1	2	3
Namibia..............................	1	3	4	1	3	4	1	3	4
Niger................................	1	7	8	1	7	8	1	7	8

AFRICAN PROGRAM

	1989 Actual			1990 Estimate			1991 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Nigeria............................	12	49	61	12	49	61	12	49	61
Rwanda.............................	1	4	5	1	4	5	1	4	5
Senegal............................	3	13	16	3	13	16	3	13	16
Sierra Leone.......................	1	7	8	1	7	8	1	7	8
Somalia............................	2	6	8	2	6	8	2	6	8
South Africa.......................	13	33	46	13	33	46	13	33	46
Swaziland..........................	1	4	5	1	4	5	1	4	5
Tanzania...........................	2	14	16	2	14	16	2	14	16
Togo...............................	1	7	8	1	7	8	1	7	8
Uganda.............................	1	4	5	1	4	5	1	4	5
Zaire..............................	6	33	39	6	33	39	6	33	39
Zambia.............................	2	11	13	2	11	13	2	11	13
Zimbabwe...........................	2	11	13	2	11	13	2	11	13
Regional Services (Paris)..........	3	20	23	3	20	23	3	20	23
Unspecified Budget Reductions......	--	--	--	--	--	--	-2	-11	-13
Subtotal, Country and Regional Element..............	89	376	465	89	376	465	87	365	452
Total, Positions...............	114	376	490	114	376	490	112	365	477

AFRICAN PROGRAM

D. Program Activity Costs (1989 Actual, $14,085,513; 1990 Estimate, $14,039,787; 1991 Estimate, $15,091,430; Increase, $1,051,643).

Program activity costs derive from the following: radio, press and publications, television and films, American centers and related activities, program direction, and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S&E budget, for a general description of the nature of each of these activities.)

1. Radio Activities (1989 Actual, $126,875; 1990 Estimate, $124,460; 1991 Estimate, $123,827; Decrease, $-633).

This program activity consists of the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services.

The net decrease of $633 results from 1991 program reductions of $2,000 offset, in part, by an increase of $1,367 to cover cost increases for services, materials and international shipping.

2. Press and Publications Activities (1989 Actual, $1,392,619; 1990 Estimate, $1,031,192; 1991 Estimate, $1,053,831; Increase, $22,639).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Periodicals	$ 506,428	$ 342,527	$ 354,430	$11,903
b. Information placement	423,933	371,393	390,253	18,860
c. Pamphlets and leaflets	80,421	60,028	60,404	376
d. Materials and equipment	381,837	257,244	248,744	-8,500
Total	1,392,619	1,031,192	1,053,831	22,639

This program activity consists of: (a) production and distribution of periodicals; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets, posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities.

The net increase of $22,639 in 1991 is requested to provide $51,727 for cost increases for postage, printing, procurement of paper, equipment, materials and supplies and international shipping offset, in part, by 1991 program reductions of $29,088.

AFRICAN PROGRAM

3. Television and Film Activities (1989 Actual, $477,415; 1990 Estimate, $343,999; 1991 Estimate, $339,342; Decrease, $-4,657).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Production and adaptation....................	$167,964	$133,816	$128,989	$-4,827
b. Distribution and promotion..................	102,989	52,837	58,007	5,170
c. Audio-visual equipment and maintenance.......	206,462	157,346	152,346	-5,000
Total	477,415	343,999	339,342	-4,657

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; and (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials.

The net decrease of $4,657 results from 1991 program reductions of $10,000 offset, in part, by requested increases of $5,343 to cover cost increases for services, procurement of supplies, materials and equipment and international shipping.

AFRICAN PROGRAM

4. American Centers and Related Activities (1989 Actual, $5,797,822; 1990 Estimate, $6,609,530; 1991 Estimate, $7,027,903; Increase, $418,373).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. American center operations..................	$2,969,605	$2,815,632	$3,033,418	$217,786
b. Book programs..............................	423,506	355,487	373,959	18,472
c. Exhibits...................................	110,271	115,271	120,357	5,086
d. Presentations..............................	109,174	110,008	112,364	2,356
e. English teaching promotion.................	1,350,788	2,424,650	2,576,309	151,659
f. Lectures, seminars and other programs........	834,478	788,482	811,496	23,014
Total....................................	5,797,822	6,609,530	7,027,903	418,373

This program activity consists of: (a) operating, support, and space costs for 37 cultural centers; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops, and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic and scientific achievements.

At a number of posts, the costs of English-teaching materials, supplies and equipment and certain library services are financed by receipts from English students and library users. Such fees are included in the reimbursement figures displayed in the summary tables in this section.

The net increase of $418,373 is requested to provide $476,636 for cost increases for services, rents, utilities, contractual services, transportation, international shipping, and procurement of supplies and materials, and $200,000 for renovation of the USIS center in Ouagadougou, Burkina Faso. These increases are offset, in part, by 1991 program savings of $158,263 and non-recurring costs of $100,000 for renovation of the center in Dar-es-Salaam, Tanzania in 1990.

5. Program Direction (1989 Actual, $640,870; 1990 Estimate, $601,113; 1991 Estimate, $653,699; Increase, $52,586).

These funds provide for travel by the Area Director and his staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines and newspapers for staff use; and travel and other expenses for local research activities.

The increase of $52,586 in 1991 is requested to cover cost increases in international air fares and locally procured services and materials.

6. Other Program Expenses (1989 Actual, $5,649,912; 1990 Estimate, $5,329,493; 1991 Estimate, $5,892,828; Increase, $563,335).

These funds provide for residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The net increase of $563,335 in 1991 is requested to provide $436,256 for cost increases for residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs and related expenses to support post programs; $209,800 for multi-year lease payments due in 1991; $37,000 for maintenance costs associated with the overseas automation initiative; and $15,206 for net full-year costs of exchange rate adjustments through November 30, 1989.

These increases are offset, in part, by savings of $134,927 for 1991 program reductions.

AFRICAN PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)
POSITIONS:				
Domestic	25	25	25	--
Overseas American	89	89	87	-2
Foreign National	376	376	365	-11
Total, Positions	490	490	477	-13
COSTS BUDGETED BY COUNTRY:				
Benin	$383,032	$430,898	$ 477,622	$ 46,724
Botswana	171,930	178,403	187,471	9,068
Burkina Faso	418,592	487,037	716,298	229,261
Burundi	280,608	258,029	268,245	10,216
Cameroon	905,872	935,780	977,082	41,302
Central African Republic	346,864	352,577	314,156	-38,421
Chad	233,069	245,551	274,726	29,175
Congo	716,796	700,027	771,206	71,179
Ethiopia	430,244	414,204	437,722	23,518
Gabon	531,762	563,341	614,053	50,712
Ghana	456,492	406,531	576,978	170,447
Guinea	203,652	182,582	200,391	17,809
Ivory Coast	857,737	894,076	941,751	47,675
Kenya	666,762	532,360	577,765	45,405
Lesotho	194,408	170,215	188,952	18,737
Liberia	536,604	516,627	532,715	16,088
Madagascar	314,754	306,996	318,227	11,231
Malawi	241,503	219,821	244,477	24,656
Mali	236,273	246,725	254,695	7,970
Mauritius	129,178	137,987	147,072	9,085
Mozambique	153,923	148,723	165,963	17,240
Namibia	216,946	294,107	305,392	11,285
Niger	381,765	405,976	422,721	16,745
Nigeria	924,693	944,194	1,269,376	325,182

AFRICAN PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs (continued)

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)
COSTS BUDGETED BY COUNTRY (continued):				
Rwanda	$ 383,462	$ 459,710	$ 485,108	$ 25,398
Senegal	1,033,733	1,079,507	1,134,096	54,589
Sierra Leone	247,182	231,170	208,106	-23,064
Somalia	322,208	245,719	267,945	22,226
South Africa	1,662,926	1,758,833	1,998,322	239,489
Swaziland	199,656	163,633	200,996	37,363
Tanzania	395,231	487,894	437,306	-50,588
Togo	458,875	455,822	485,849	30,027
Uganda	246,240	250,452	284,270	33,818
Zaire	1,386,632	1,677,937	1,826,989	149,052
Zambia	399,454	358,430	411,703	53,273
Zimbabwe	482,802	500,097	554,044	53,947
African Regional Services	2,176,711	2,114,102	2,264,888	150,786
Unspecified Area Reductions	--	--	-419,778	-419,778
Subtotal, Country Costs	19,328,571	19,756,073	21,324,900	1,568,827
AREA-WIDE COSTS:				
Domestic Employee Compensation and Benefits	1,057,151	1,209,386	1,291,147	81,761
Overseas American Employee Compensation & Benefits b/	5,964,353	6,362,569	6,683,996	321,427
Area-Wide Program Funds	687,499	722,316	881,857	159,541
Subtotal, Area-Wide Costs	7,709,003	8,294,271	8,857,000	562,729
Total, Gross Funds (Comparative Basis)	27,037,574	28,050,344	30,181,900	2,131,556
Deduct Reimbursements	-1,392,060	-1,969,000	-1,969,000	--
Total, Direct Funds (Comparative Basis)	25,645,514	26,081,344	28,212,900	2,131,556

a/ For comparative purposes, includes $1,340 in 1989 for program costs in Guinea that were funded from remaining balances from the former Salaries and Expenses (Special Foreign Currency Program) appropriation.

b/ Excludes Foreign Service allowances and rest and recuperation travel paid at posts which are included in country costs.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements	$32,182,244 a/	$32,274,468	$35,032,100	$2,757,632

General Statement

I. SUMMARY

In 1991 the Agency will continue to direct operations in 22 countries, stretching from Morocco in northwestern Africa to Bangladesh in South Asia. Activities are conducted at 37 posts and 31 American centers in this area. The Agency also arranges for speakers and performing artists through regional offices in Paris and India. A staff of 110 overseas American and 700 foreign national employees is provided for these installations and programs. A Washington-based staff of 22 employees directs and supports the overseas operations.

In 1991 a total of $35,032,100 is requested for North Africa, Near East and South Asia programs, a net increase of $2,757,632 over the 1990 level.

II. 1989 AND 1990 PROGRAMS

During 1989 and 1990, NEA continued to support American policy toward the region through regular programming of authoritative speakers, WORLDNET and satellite speakers programs, placement of statements by administration officials in local media, and similar post activities. Now that the installation of TVROs is complete at most NEA posts, nearly all NEA posts can participate in WORLDNET interactive programs. NEA was particularly involved in the public affairs campaigns in support of U.S. policy in the Arab-Israeli dispute, Lebanon, and Afghanistan.

The Afghanistan Country Program, which NEA established in Peshawar, Pakistan, in 1987, carried out a full range of USIA programs directed toward the Afghan refugee population, ranging from creating a special Pushtu and Dari language newsletter to programming AmParts and nominating IV grantees. The Agency-assisted Afghan Media Resource Center in Peshawar, designed to help the Afghan Freedom Fighters develop their own news gathering and distribution organization, continued as a major source of information on events inside Afghanistan for the international media. The project emphasized training in reporting and modern television and photographic techniques, which significantly enhanced the Afghans' ability to tell the world their own story in a more effective and timely manner. Other USIS posts throughout the world participated in WORLDNET interactives and telepress conferences with American experts on Afghanistan and made excellent use of a variety of Agency-produced media products (pamphlets and Wireless File articles) that focused attention on the effects of the Soviet Union's continued military assistance to the Kabul regime, and the need for international humanitarian efforts to rebuild Afghanistan after the Soviet departure. Posts in countries that might contribute to the rehabilitation effort were supplied

---

a/ For comparative purposes, includes $5,676 in 1989 for program costs in India that were funded from remaining balances from the former Salaries and Expenses (Special Foreign Currency Program) appropriation.

II. 1989 AND 1990 PROGRAMS CONTINUED

the new Agency videotape that graphically depicts the Afghans' urgent need for help. In 1991, the Agency plans to reopen a post in Kabul, Afghanistan. In addition to the funds displayed in this section of the Agency budget, further costs identified with the Afghanistan Country Program can be found in the Educational and Cultural Affairs and Program Coordination, Production and Support sections of this budget and in the Educational and Cultural Exchange Programs account.

Although the Soviets withdrew their troops from Afghanistan and there was a ceasefire in the Iran-Iraq war, the period saw increased political tensions resulting from civil strife in Bangladesh, Pakistan, Sri Lanka, Lebanon, Sudan, and Israel. NEA posts focused major resources on long-term exchange programs and programs with a strong educational and cultural emphasis, concentrating on values and interests common to the United States and NEA countries. Academic and related exchanges as directed by bi-national commissions, posts, the Indo-U.S. and U.S.-Pakistan Subcommissions on Education and Culture received increased attention, both from the posts and the area office. USIA participated in trade fairs in Baghdad, Algiers and New Delhi. Groups of International Visitors from NEA posts ranged from students and young diplomats to journalists, politicians, educators and artists, some groups including both Israelis and Arabs as part of our contribution to the normalization process. In further support of normalization, a number of NEA posts sent young, mid-career Arab participants with leadership potential to take part in various of the Salzburg Seminar's sessions where they met and discussed major world problems with their Israeli counterparts.

The dramatic growth of English teaching in several NEA countries (e.g., Algeria, the Sudan and Syria) prompted several other posts to project English teaching programs for their countries. Improved U.S.-Iraq relations made it possible to establish a new English Teaching/Cultural Center in Baghdad, and USIS Amman introduced a direct English teaching program for selected students. A new relationship with a dynamic Jordanian publisher in Amman gave an important boost to the Arabic Book Program with the publishing of a number of important titles on foreign policy, economics and literature. Finally, cultural presentations, from jazz and blue grass to classical music and ethnic dancers, drew important audiences in many NEA countries.

As a result of the overall reduction of the Agency's budget in 1990, the Area implemented program cuts totaling $300,411. These adjustments included conversion of the Public Affairs Officer's Secretary position to resident American status in Rabat, Morocco; elimination of the Assistant Cultural Affairs Officer position in Tunis, Tunisia; significantly streamlining operations in Khartoum, Sudan, including the elimination of the Assistant Public Affairs Officer position, conversion of the Administrative Secretary position to resident American status, and elimination of seven foreign national positions; and further reductions in Washington support areawide. This program curtailment, leading to lost program opportunities, resulted in some limiting of NEA's effectiveness in supporting and furthering U.S. foreign policy objectives.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

III. 1991 PLANS

In 1991, a total of $35,032,100 is requested for North Africa, Near East and South Asia programs. Requested built-in increases consist of $781,309 for wage-scale increases; $77,000 for full-year costs of Federal pay raises effective for part of 1990 and $488,121 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $141,199 for within-grade and other salary/benefit cost increases; $54,908 for the additional day's pay in 1991; $949,116 for price increases; $1,161,422 for multi-year lease payments; $28,000 for full-year maintenance costs of the overseas automation initiative; and $150,000 for costs associated with reopening our post in Kabul, Afghanistan.

These increases are offset, in part, by programmatic reductions of $668,269. These include conversion of the Executive Assistant position in Riyadh, Saudi Arabia to resident American status ($79,742); elimination of six overseas American positions, consisting of the English Teaching Officer position in Cairo, Egypt ($34,490), the Assistant Public Affairs Officer position in Dhaka, Bangladesh ($49,936), the Information Officer position in Colombo, Sri Lanka ($58,932), the Program Development Officer position in New Delhi, India ($60,140), the Assistant Cultural Affairs Officer position in Madras, India ($57,006), and the Assistant Cultural Affairs Officer position in Lahore, Pakistan ($42,380); reduction of programming activity in Saudi Arabia ($198,194); and areawide reductions in Washington support ($87,149). Further offsets include full-year savings of $187,000 resulting from program cuts implemented in 1990 as discussed above, including $172,000 in full-year savings resulting from the elimination of nine positions; non-recurring costs of $211,000 for renovations, refurbishings, and relocation projects in Bangladesh, India, Nepal, Sri Lanka and Tunisia; and $1,174 for full-year exchange rate adjustments through November 30,1989.

The "Program Activity Costs" displayed in the justifications that follow consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educational and Cultural Affairs, Programs, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, detailed estimates for which are contained in the Administrative Support from Other Agencies section of this budget.

For comparative purposes, 1989 program costs for India that were funded from remaining balances from the former Special Foreign Currency Program appropriation are included in the detailed justifications that follow.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

Summary of Requirements

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	22	22	22	--	
Overseas American	119	117	110	-7	
Foreign National	710	703	700	-3	
Total, Positions	851	842	832	-10	7-7
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 1,256,736	$ 1,314,038	$ 1,377,431	$ 63,393	7-5
B. Overseas American Employee Compensation & Benefits	8,314,214	8,787,707	8,915,775	128,068	7-5
C. Foreign National Employee Compensation & Benefits	7,145,217	8,036,318	8,808,414	772,096	7-6
D. Program Activity Costs:					
1. Radio	62,039	51,690	54,581	2,891	7-8
2. Press and Publications	2,551,467	2,610,674	2,735,565	124,891	7-8
3. Television and Films	369,602	289,417	305,811	16,394	7-9
4. American Centers and Related Activities	6,258,605	6,214,089	7,278,021	1,063,932	7-9
5. Program Direction	425,190	346,814	366,767	19,953	7-10
6. Other Program Expenses	7,340,239	6,460,721	7,026,735	566,014	7-11
Subtotal, Activity Costs	17,007,142	15,973,405	17,767,480	1,794,075	
Total, Gross Funds (Comparative Basis)	33,723,309	34,111,468	36,869,100	2,757,632	
E. Deduct Reimbursements	-1,541,065	-1,837,000	-1,837,000	--	
Total, Direct Funds (Comparative Basis)	32,182,244	32,274,468	35,032,100	2,757,632	

---

a/ For comparative purposes, includes $5,676 in 1989 for program costs in India that were funded from remaining balances from the former Salaries and Expenses (Special Foreign Currency Program) appropriation.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

A. Domestic Employee Compensation and Benefits (1989 Actual, $1,256,736; 1990 Estimate, $1,314,038; 1991 Estimate, $1,377,431; Increase, $63,393).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions	22	22	22	--
Salary and direct benefit costs	$1,256,736	$1,314,038	$1,377,431	$ 63,393

The net increase of $63,393 is requested to provide $11,000 for full-year costs of Federal pay raises effective for part of 1990 and $60,393 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $11,000 for FICA, Medicare, and other benefit increases; and $4,000 for one additional day's pay in 1991.

These increases are offset, in part, by full-year savings of $23,000 associated with the reduction of one full-time temporary position.

B. Overseas American Employee Compensation and Benefits (1989 Actual, $8,314,214; 1990 Estimate, $8,787,707; 1991 Estimate, $8,915,775; Increase, $128,068).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions	119	117	110	-7
1. Salary and direct benefit costs	$7,077,316	$7,517,961	$7,670,226	$ 152,265
2. Hardship post differentials	712,325	807,447	756,847	-50,600
3. Foreign Service allowances	402,477	362,347	386,554	24,207
4. Rest and recuperation travel	122,096	99,952	102,148	2,196
Total	8,314,214	8,787,707	8,915,775	128,068

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

The net increase of $128,068 is requested to provide the following:

a. $66,000 for full-year costs of Federal pay raises effective for part of 1990;
b. $427,728 for Federal pay raises scheduled for 1991, including an across the board 3 1/2 percent raise and an averaged 22 percent executive increase;
c. $65,000 for FICA, Medicare and other benefit increases;
d. $28,000 for an additional day's pay in 1991; and
e. $32,813 for anticipated cost increases for Foreign Service allowances and rest and recuperation travel.

These increases are offset, in part, by full-year savings of $138,000 resulting from actions taken in 1990, including the elimination of two positions, as well as savings of $353,473 associated with further reductions necessary in 1991 as follows: conversion of the Executive Assistant position in Riyadh, Saudi Arabia to resident American status ($56,243); elimination of six positions, including the English Teaching Officer position in Cairo, Egypt ($34,490), the Assistant Public Affairs Officer position in Dhaka, Bangladesh ($40,253), the Information Officer position in Colombo, Sri Lanka ($42,600), the Program Development Officer position in New Delhi, India and the Assistant Cultural Affairs Officer position in Madras, India ($90,031), and the Assistant Cultural Affairs Officer position in Lahore, Pakistan ($42,380); and the reduction of programming activity in Saudi Arabia ($47,476, one position).

C. Foreign National Employee Compensation and Benefits (1989 Actual, $7,145,217; 1990 Estimate, $8,036,318; 1991 Estimate, $8,808,414; Increase, $772,096).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions	710	703	700	-3
Salary and direct benefit costs	$7,145,217	$8,036,318	$8,808,414	$772,096

The net increase of $772,096 is requested to provide $781,309 for foreign national employee wage-scale increases, consisting of $365,345 for increases effective for part of 1990 and $415,964 for increases anticipated in 1991; $65,199 for within-grade salary increases in 1990; and $32,908 for an additional day's pay in 1991.

The increases are partially offset by full-year savings of $11,000 including the elimination of seven positions in Khartoum, Sudan, savings of $84,520 associated with further reductions necessary in 1991 including the reduction in program activities in Saudi Arabia (three positions), and full-year savings of of $11,800 for exchange rate adjustments through November 30, 1989.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

Domestic, overseas American and foreign national employee compensation and benefits provide for positions in the Area as follows:

	1989 Actual			1990 Estimate			1991 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic	22	--	22	22	--	22	22	--	22
Country or Regional Element									
Afghanistan Country Program	1	4	5	1	4	5	1	4	5
Algeria	3	7	10	3	7	10	3	7	10
Bahrain	1	5	6	1	5	6	1	5	6
Bangladesh	4	19	23	4	19	23	3	19	22
Egypt	10	51	61	10	51	61	9	51	60
India	28	288	316	28	288	316	26	288	314
Iraq	2	4	6	2	4	6	2	4	6
Israel	6	39	45	6	39	45	6	39	45
Jordan	4	14	18	4	14	18	4	14	18
Kuwait	1	4	5	1	4	5	1	4	5
Lebanon	--	3	3	--	3	3	--	3	3
Morocco	10	32	42	10	32	42	10	32	42
Nepal	3	22	25	3	22	25	3	22	25
Oman	1	4	5	1	4	5	1	4	5
Pakistan	16	102	118	16	102	118	15	102	117
Qatar	1	3	4	1	3	4	1	3	4
Saudi Arabia	8	18	26	8	18	26	7	15	22
Sri Lanka	4	26	30	4	26	30	3	26	29
Sudan	3	13	16	2	6	8	2	6	8
Syria	3	11	14	3	11	14	3	11	14
Tunisia	5	25	30	4	25	29	4	25	29
United Arab Emirates	1	6	7	1	6	7	1	6	7
Yemen	3	4	7	3	4	7	3	4	7
Jerusalem	1	3	4	1	3	4	1	3	4
Regional Program (India)	--	2	2	--	2	2	--	2	2
ARS Paris	--	1	1	--	1	1	--	1	1
Sub-total, Country or Regional	119	710	829	117	703	820	110	700	810
Total, Positions	141	710	851	139	703	842	132	700	832

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

D. Program Activity Costs (1989 Actual, $17,007,142; 1990 Estimate, $15,973,405; 1991 Estimate, $17,767,480; Increase, $1,794,075).

Program activity costs derive from the following: radio, press and publications, television and films, American centers and related activities, program direction, and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S&E budget, for a general description of the nature of each of these activities.)

1. Radio Activities (1989 Actual, $62,039; 1990 Estimate, $51,690; 1991 Estimate, $54,581; Increase, $2,891).

This program activity consists of the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services. The increase of $2,891 in 1991 is requested to cover cost increases for services, materials and international shipping.

2. Press and Publications Activities (1989 Actual, $2,551,467; 1990 Estimate, $2,610,674; 1991 Estimate, $2,735,565; Increase, $124,891).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Periodicals	$ 814,926	$ 793,150	$ 838,174	$45,024
b. Information placement	1,336,916	1,418,294	1,483,878	65,584
c. Pamphlets and leaflets	131,012	167,106	172,691	5,585
d. Materials and equipment	268,613	232,124	240,822	8,698
Total	2,551,467	2,610,674	2,735,565	124,891

This program activity consists of: (a) production and distribution of periodicals; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets, posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities.

The net increase of $124,891 in 1991 is requested to cover cost increases of $138,891 for postage, printing, procurement of paper, equipment, materials and supplies and international shipping for the Afghanistan Country Program ($29,980), India ($49,505), Morocco ($6,330), Pakistan ($10,091), Yemen ($4,411), and 18 other countries ($38,574).

This increase is offset, in part, by $14,000 saved in 1991 from reduced program activity in Saudi Arabia.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

3. Television and Film Activities (1989 Actual, $369,602; 1990 Estimate, $289,417; 1991 Estimate, $305,811; Increase, $16,394).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Production and adaptation	$ 98,116	$ 73,974	$ 77,083	$ 3,109
b. Distribution and promotion	176,358	140,543	151,022	10,479
c. Audio-visual equipment and maintenance	95,128	74,900	77,706	2,806
Total	369,602	289,417	305,811	16,394

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; and (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials.

The increase of $16,394 in 1991 is requested to cover cost increases for services, procurement of supplies, materials and equipment and international shipping in India ($3,375), Pakistan ($4,038), and 20 other countries ($8,981).

4. American Centers and Related Activities (1989 Actual, $6,258,605; 1990 Estimate, $6,214,089; 1991 Estimate, $7,278,021; Increase, $1,063,932).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. American center operations	$3,545,051	$3,047,233	$3,964,943	$ 917,710
b. Book programs	64,731	35,553	37,581	2,028
c. Exhibits	135,396	124,862	131,840	6,978
d. Presentations	83,068	69,440	72,454	3,024
e. English teaching	1,479,812	1,934,991	2,014,541	79,550
f. Lectures, seminars and other programs	950,547	1,002,010	1,056,652	54,642
Total	6,258,605	6,214,089	7,278,021	1,063,932

In each city, where the local situation permits, the American center operates as the focus of coordinated and targeted post programming. This program activity consists of: (a) operating, support, and space costs for 31 American centers; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic, and scientific achievements. At a number of posts, the costs of English-teaching materials, supplies and equipment and certain library services are financed by receipts from English language students and library users. Such fees are included in the reimbursement figures displayed in the summary tables in this section.

The net increase of $1,063,932 is requested to provide $770,860 for multi-year lease payments due in 1991, $81,780 for a renovation project in Colombo, Sri Lanka, $150,000 for start-up costs associated with reopening a mission post in Kabul, Afghanistan, and $324,387 for anticipated cost increases for rent, contractual services, transportation, international shipping, and procurement of supplies and materials in Algeria ($12,099), Egypt ($10,220), India ($57,465), Iraq ($22,794), Pakistan ($38,375), Sudan ($22,280), Syria ($32,045) and 15 other countries ($129,109).

These increases are offset, in part, by non-recurring costs of $254,095 for renovation and relocation projects in Tunis, Tunisia ($114,750), Kathmandu, Nepal ($22,500), New Delhi, India ($77,900), and Dhaka, Bangladesh ($38,945); and $9,000 for savings associated with the reduction of program activity in Saudi Arabia in 1991.

5. Program Direction (1989 Actual, $425,190; 1990 Estimate, $346,814; 1991 Estimate, $366,767; Increase, $19,953).

These funds provide for travel by the Area Director and his staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines, and newspapers for staff use; and travel and other expenses for local research activities.

The net increase of $19,953 is requested to provide for cost increases of $25,953 for international air fares and locally procured services and materials in India ($1,600), Kuwait ($2,906), Morocco ($1,565), Pakistan ($1,358), and 18 other countries and domestic direction and support ($18,524).

This increase is offset, in part, by savings of $6,000 resulting from reduced programming activity in Saudi Arabia in 1991.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

6. Other Program Expenses (1989 Actual, $7,340,239; 1990 Estimate, $6,460,721; 1991 Estimate, $7,026,735; Increase, $566,014).

These funds provide for residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The net increase of $566,014 is requested to provide $390,562 for multi-year lease payments due in 1991, $28,000 for full-year maintenance costs of the overseas automation initiative, $12,220 for a renovation project in Colombo, Sri Lanka, and $407,787 for cost increases for office and residential lease renewals, utilities, international shipping and procurement of vehicles, supplies and materials in Egypt ($25,582), India ($84,232), Israel ($21,035), Pakistan ($60,487), Morocco ($38,880), Sudan ($27,590) and 16 other countries and domestic direction and support ($149,981).

These increases are offset, in part, by the following decreases:

a. $201,276 for savings associated with 1991 program reductions including conversion of the Executive Assistant position in Riyadh, Saudi Arabia to resident American status ($23,499), elimination of the Assistant Public Affairs Officer position in Dhaka, Bangladesh ($9,683), elimination of the Information Officer position in Colombo, Sri Lanka ($16,332), elimination of the Program Development Officer position in New Delhi, India ($24,615), elimination of the Assistant Cultural Affairs Officer position in Madras, India ($2,500), reduction of programming activity in Saudi Arabia ($37,198), and areawide reductions in Washington support ($87,449);
b. $15,000 full-year savings resulting from program cuts implemented in 1990 in Khartoum, Sudan;
c. $50,905 non-recurring costs of renovation and relocation projects in Tunis, Tunisia ($20,250), Kathmandu, Nepal ($2,500), New Delhi, India ($17,100), and Dhaka, Bangladesh ($11,055); and
d. $5,374 for full-year savings of 1990 exchange rate adjustments through November 30, 1989.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM
Recapitulation of Costs by Country and Area-Wide Costs

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)
POSITIONS:				
Domestic	22	22	22	--
Overseas American	119	117	110	-7
Foreign National	710	703	700	-3
Total, Positions	851	842	832	-10
COSTS BUDGETED BY COUNTRY:				
Afghanistan Country Program	$ 922,859	$ 912,054 c/	$ 1,107,249 d/	$195,195
Algeria	1,022,429	1,382,341	1,441,055	58,714
Bahrain	250,223	278,544	293,570	15,026
Bangladesh	1,145,223	778,195	799,532	21,337
Egypt	1,118,943	1,038,142	1,152,309	114,167
India	6,050,765	5,856,110	6,927,713	1,071,603
Iraq	697,268	748,082	793,145	45,063
Israel	1,877,106	1,800,489	1,958,299	157,810
Jordan	600,723	623,031	647,415	24,384
Kuwait	282,931	305,909	329,760	23,851
Lebanon	68,717	98,094	113,462	15,368
Morocco	1,208,464	1,374,471	1,482,711	108,240
Nepal	444,922	396,207	386,990	-9,217
Oman	254,004	289,670	309,632	19,962
Pakistan	2,653,212	2,643,515	3,162,869	519,354
Qatar	371,008	365,875	396,178	30,303
Saudi Arabia	1,330,462	1,355,818	1,212,502	-143,316
Sri Lanka	574,569	575,306	697,975	122,669
Sudan	749,065	481,001	546,981	65,980
Syria	770,749	869,617	965,106	95,489
Tunisia	629,800	750,605	648,967	-101,638
United Arab Emirates	365,775	366,211	477,626	111,415
Yemen	457,285	511,429	553,040	41,611
Jerusalem	179,288	201,125	214,591	13,466
Regional Program (India)	41,493	53,141	56,673	3,532
ARS Paris	67,242	69,755	72,636	2,881
Subtotal, Country Costs	24,134,525	24,124,737	26,747,986	2,623,249

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM
Recapitulation of Costs by Country and Area-Wide Costs

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)
AREA-WIDE COSTS:				
Domestic Employee Compensation and Benefits	$ 1,256,736	$ 1,314,038	$ 1,377,431	$ 63,393
Overseas American Employee Compensation & Benefits b/.	7,789,641	8,325,408	8,427,073	101,665
Regional Services....................................	542,407	347,285	316,610	-30,675
Subtotal, Area-Wide Costs	9,588,784	9,986,731	10,121,114	134,383
Total, Gross Funds (Comparative Basis)	33,723,309	34,111,468	36,869,100	2,757,632
Deduct Reimbursements	-1,541,065	-1,837,000	-1,837,000	--
Total, Direct Funds (Comparative Basis)............	32,182,244	32,274,468	35,032,100	2,757,632

a/ For comparative purposes, includes $5,676 in 1989 for program costs in India that were funded from remaining balances from the former Salaries and Expenses (Special Foreign Currency Program) appropriation.

b/ Excludes Foreign Service allowances and rest and recuperation travel paid at posts and included in above country costs.

c/ Afghanistan Country Program costs in 1990 include $912,054 identified in the country recapitulation and $43,054 in American salaries contained in this section of the Agency's budget as well as $424,642 in additional program costs incorporated in other sections.

d/ Agency-wide Afghanistan Country program costs for 1991 will total $1,578,694 reflecting a continuation of the 1990 program level and reopening of the post at Kabul, Afghanistan.

AMERICAN REPUBLICS PROGRAM

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements................................	$29,944,481	$30,857,377	$32,805,700	$1,948,323

General Statement

I. SUMMARY

The Agency plans to continue informational, cultural and academic exchange programs in 26 countries in Latin America and the Caribbean. In addition, limited programming will be carried out at 11 other independent states or dependencies in the Caribbean region. These activities are conducted through 33 posts, including 14 cultural centers, located in major cities. The Agency also provides continuing support to three class "A" binational centers and specific project support to other centers throughout the area. A staff of 123 overseas American and 541 foreign national employees is provided for these installations and programs. A Washington-based staff of 21 employees directs and supports the overseas operations.

In 1991, a total of $32,805,700 is requested for American Republics Programs. The net increase of $1,948,323 over the 1990 level is requested to meet wage and price increases and other requirements.

II. 1989 AND 1990 PROGRAMS

Posts in the American Republics (AR) region carried out programming in 1989 on issues which have a direct impact on hemispheric security and U.S. domestic welfare. The search for just solutions to the conflicts in Central America, support for democratic institutions, cooperation in the fight against illegal narcotics and measures which would improve regional economic relations received special emphasis. Other regional program interests included support for human rights and representative government, restoring justice and democracy in Panama, and addressing key issues in our economic relationships with the region -- debt, trade, investment, and economic modernization. AR posts also did their part to bring about understanding of U.S. interests and achievements outside the region such as the reduction of Cold War tensions and cooperation with the new democratic forces in Eastern Europe. Programs on the policies and initiatives of the newly inaugurated Bush administration gave our Latin American and Caribbean neighbors a better view of American political values and processes. As in previous years, posts continued to conduct programs designed to help audiences in the region learn of American cultural and scientific achievements.

II. 1989 AND 1990 PROGRAMS (CONTINUED)

Support for these themes involved the full range of USIA exchanges, media and program resources. The Agency's growing capabilities in international satellite transmission brought about increased use of this technology, not only for WORLDNET televised dialogues and teleconferencing, but for Voice of America relays to local broadcasters. Recognizing the power of these satellite-carried programs to influence public opinion, AR posts have given them an increasingly important place in their activities. Examples include: Assistant Secretary Aronson explaining the U.S. action in Panama to Latin American audiences, Congressman Lagomarsino expressing support for the return to democracy in Paraguay, Senator Lugar describing the emergence of the Bipartisan Accord on Central America and a series of televised seminars with Nicaraguan political leaders on how to conduct an election campaign; a multi-city telepress conference in Ecuador combatting illegal narcotics; and relay of VOA's coverage of the U.S. presidential inauguration in Spanish to dozens of local radio stations in Latin America for replay. AR posts have conducted a wide variety of satellite dialogues, including some using local university and other host country facilities, which support cultural and educational programs as well. These included interviews with authors, roundtable discussions on English-teaching methodology, a program on volunteerism for the Partners of the America's convention in Guadalajara, and a discussion of literacy campaigns with Brasilian educators featuring Barbara Bush. AR posts will continue this thrust toward rapid, economical delivery of policy messages, news and cultural programs via satellite in the coming fiscal year.

Buttressing these topical, media-oriented activities were the area's cultural and educational exchange programs, which work over the long term to enhance appreciation of American society and culture and develop links between U.S. and Latin American and Caribbean institutions. The International Visitors (IV) program played an important role in strengthening democracy as many visitors participated in programs on the U.S. political system, the administration of justice and the role of the free market in support of economic growth and stability. Central American university deans, Argentine civilian defense officials, and even Chilean military officers were among the dozens of Latin American groups given exposure to American political, social and educational institutions, not only through the IV program, but also through Voluntary Visitor programs and projects designed through the Office of Private Sector Programs. Given the enduring need to strengthen democratic institutions in the hemisphere, we expect these themes to receive continued attention in AR exchange programs in the coming year as well. Focussed programs for youth leaders, for secondary educators, and for English teachers also were enthusiastically subscribed to by AR posts. The traditionally strong Fulbright academic exchange program in AR was again augmented by the innovative CAMPUS program, through which Central American undergraduates continued to receive special opportunities for an education in U.S. universities. Despite a restricted budget, Arts America sent an attractive variety of performing arts programs to AR posts, including the highly successful exhibit of Martin Puryear, which won the grand prize at the Sao Paulo Bienal.

AMERICAN REPUBLICS PROGRAM

II. 1989 AND 1990 PROGRAMS (CONTINUED)

In 1990, AR programs sustained reductions of $410,107 and the elimination of five foreign national positions due to the overall reduction of the Agency's budget.

III. 1991 PLANS

In 1991, a total of $32,805,700 is requested for the American Republics. The net increase of $1,948,323 over the 1990 level will only partially maintain current service requirements. Requested built-in increases consist of $907,798 for wage-scale increases; $81,000 for full-year costs of Federal pay raises effective for part of 1990 and $483,128 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $172,635 for within-grade and other salary and benefit increases; $26,000 for severance pay for the elimination of three foreign national positions in 1991; $687,461 for cost increases; $120,000 for renovation/relocation projects; $84,669 for multi-year lease payments; and $30,000 for maintenance costs associated with the overseas automation update program initiative.

These increases are offset, in large part, by full-year savings of $19,174 due to the elimination of five foreign national positions resulting from actions taken in 1990 as discussed above; $10,101 for full-year savings of exchange rate adjustments through November 30, 1989; and $615,093 for programmatic reductions in 1991 necessitated by the overall limitation imposed on the Agency's budget. These include: elimination of six overseas American positions; elimination of three foreign national positions; and additional across-the-board program reductions. The reduction of six overseas Americans includes the elimination of the BNC Director-Uruguay, one of the four remaining class A binational centers in the area, and the BNC Coordinator-Peru, a country where binational centers have become the venue for much of our English-teaching programs and are homes to our library efforts; two American secretaries in Chile and Venezuela, significantly decreasing secretarial support for the press and cultural sections, and diminishing the remaining American staff time available to conduct critical programming and personal contact work; a Program Development Officer-Brasil, one of two American officers who manage the country-wide speaker program for the capital and five branch posts, thereby diminishing the amount of planning and coordination that could be done in AR's largest country operation; and a Country Librarian-Mexico, which would result in a shortfall of professional library management and services and a decrease in the Benjamin Franklin library's ability to cooperate with struggling Mexican university and research libraries. The reduction of three foreign nationals in Guatemala, Panama and Uruguay would diminish audio-visual program capability at the respective posts.

III. 1991 PLANS (CONTINUED)

The "Program Activity Costs" displayed in the justifications that follow consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educational and Cultural Affairs, Programs, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, detailed estimates for which are contained in the Administrative Support from Other Agencies section of this budget.

AMERICAN REPUBLICS PROGRAM

Summary of Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	21	21	21	--	
Overseas American	129	129	123	-6	
Foreign National	549	544	541	-3	
Total, Positions	699	694	685	-9	8-8
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 1,087,718	$ 1,109,663	$ 1,200,292	$ 90,629	8-6
B. Overseas American Employee Compensation & Benefits	9,041,165	9,500,533	9,870,905	370,372	8-6
C. Foreign National Employee Compensation & Benefits	8,608,403	9,525,165	10,427,424	902,259	8-7
D. Program Activity Costs:					
1. Radio	158,957	165,575	167,842	2,267	8-9
2. Press and Publications	1,110,084	1,054,762	1,013,236	-41,526	8-9
3. Television and Films	366,654	397,030	403,463	6,433	8-10
4. American Centers and Related Activities	3,290,633	3,351,809	3,704,846	353,037	8-10
5. Binational Centers	574,857	513,029	483,155	-29,874	8-11
6. Program Direction	350,907	430,138	430,439	301	8-12
7. Other Program Expenses	5,482,283	4,922,673	5,217,098	294,425	8-12
Subtotal, Activity Costs	11,334,375	10,835,016	11,420,079	585,063	
Total, Gross Funds	30,071,661	30,970,377	32,918,700	1,948,323	
E. Deduct Reimbursements	-127,180	-113,000	-113,000	--	
Total, Direct Funds	29,944,481	30,857,377	32,805,700	1,948,323	

AMERICAN REPUBLICS PROGRAM

A. Domestic Employee Compensation and Benefits (1989 Actual, $1,087,718; 1990 Estimate, $1,109,663; 1991 Estimate, $1,200,292; Increase, $90,629).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions	21	21	21	--
Salary and direct benefit costs	$1,087,718	$1,109,663	$1,200,292	$90,629

The increase of $90,629 is requested to provide $77,629 for full-year costs of Federal pay raises effective for part of 1990 ($9,000) and Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase ($68,629); $9,000 for FICA, Medicare, and health insurance increases; and $4,000 for one extra day's pay in 1991.

B. Overseas American Employee Compensation and Benefits (1989 Actual, $9,041,165; 1990 Estimate, $9,500,533; 1991 Estimate, $9,870,905; Increase, $370,372).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions	129	129	123	-6
1. Salary and direct benefit costs	$7,805,481	$8,378,082	$8,711,282	$333,200
2. Hardship post differentials	583,834	542,097	556,327	14,230
3. Foreign Service allowances	610,493	530,354	553,296	22,942
4. Rest and recuperation travel	41,357	50,000	50,000	--
Total	9,041,165	9,500,533	9,870,905	370,372

The net increase of $370,372 is requested to provide:

a. $486,499 for full-year costs of Federal pay raises effective for part of 1990 ($72,000) and Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase ($414,499);
b. $70,000 for FICA, Medicare, and health insurance increases;
c. $30,000 for one extra day's pay in 1991; and
d. $39,917 for cost increases for Foreign Service allowances.

These increases are offset, in part, by a 1991 program reduction of $256,044 and six overseas American positions in Brazil, Chile, Mexico, Peru, Uruguay and Venezuela.

AMERICAN REPUBLICS PROGRAM

C. Foreign National Employee Compensation and Benefits (1989 Actual, $8,608,403; 1990 Estimate, $9,525,165; 1991 Estimate, $10,427,424; Increase, $902,259).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions	549	544	541	-3
Salary and direct benefit costs	$8,608,403	$9,525,165	$10,427,424	$902,259

The net increase of $902,259 is requested to provide:

a. $907,798 for foreign national employee wage-scale increases, consisting of $317,813 for increases effective for part of 1990 and $589,985 for increases anticipated in 1991;
b. $24,414 for within-grade salary increases in 1991;
c. $35,221 for one extra day's pay in 1991; and
d. $26,000 for severance pay requirements associated with the elimination of three positions in 1991.

These increases are offset, in part, by the following decreases:

a. A 1991 program reduction of $72,000 and three positions in Guatemala, Panama and Uruguay; and
b. Non-recurring costs of $19,174 resulting from the elimination of five positions in 1990 due to the budget reduction.

AMERICAN REPUBLICS PROGRAM

Domestic, overseas American and foreign national employee compensation and benefits provide for positions in the area as follows:

	1989 Actual			1990 Estimate			1991 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic	21	--	21	21	--	21	21	--	21
Country									
Argentina	7	37	44	7	37	44	7	37	44
Bahamas	1	3	4	1	3	4	1	3	4
Barbados	3	10	13	3	10	13	3	10	13
Bolivia	3	20	23	4	20	24	4	20	24
Brasil	24	105	129	24	105	129	23	105	128
Chile	6	29	35	6	29	35	5	29	34
Colombia	7	36	43	7	32	39	7	32	39
Costa Rica	5	12	17	5	12	17	5	12	17
Cuba	1	--	1	1	--	1	1	--	1
Dominican Republic	3	10	13	3	10	13	3	10	13
Ecuador	3	16	19	3	16	19	3	16	19
El Salvador	4	11	15	4	11	15	4	11	15
Guatemala	5	15	20	5	15	20	5	14	19
Guyana	2	7	9	2	7	9	2	7	9
Haiti	3	9	12	3	9	12	3	9	12
Honduras	4	13	17	4	13	17	4	13	17
Jamaica	2	9	11	2	9	11	2	9	11
Mexico	16	80	96	16	80	96	15	80	95
Nicaragua	4	10	14	4	10	14	4	10	14
Panama	4	18	22	3	18	21	3	17	20
Paraguay	2	9	11	2	9	11	2	9	11
Peru	6	29	35	6	30	36	5	30	35
Suriname	1	4	5	1	4	5	1	4	5
Trinidad	1	8	9	1	8	9	1	8	9
Uruguay	4	22	26	4	20	24	3	19	22
Venezuela	8	27	35	8	27	35	7	27	34
Subtotal, Country	129	549	678	129	544	673	123	541	664
Total, Positions	150	549	699	150	544	694	144	541	685

AMERICAN REPUBLICS PROGRAM

D. Program Activity Costs (1989 Actual, $11,334,375; 1990 Estimate, $10,835,016; 1991 Estimate, $11,420,079; Increase, $585,063).

Program activity costs derive from the following: radio, press and publications, television and films, American centers and related activities, binational centers, program direction, and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S&E budget, for a general description of the nature of each of these activities.)

1. Radio Activities (1989 Actual, $158,957; 1990 Estimate, $165,575; 1991 Estimate, $167,842; Increase, $2,267).

This program activity consists of the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services.

The net increase of $2,267 in 1991 is requested to provide $5,267 for cost increases for services, materials and international shipping offset, in part, by $3,000 for 1991 program reductions.

2. Press and Publications Activities (1989 Actual, $1,110,084; 1990 Estimate, $1,054,762; 1991 Estimate, $1,013,236; Decrease, $-41,526).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Periodicals	$ 251,940	$ 267,954	$ 243,117	$-24,837
b. Information placement	427,985	385,691	393,414	7,723
c. Pamphlets and leaflets..........................	124,231	134,911	118,499	-16,412
d. Materials and equipment..........................	305,928	266,206	258,206	-8,000
Total	1,110,084	1,054,762	1,013,236	-41,526

This program activity consists of: (a) production and distribution of periodicals; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets, posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities.

The net decrease of $41,526 results from 1991 savings of $78,700 offset, in part, by requested increases of $37,174 for cost increases for postage, printing, procurement of paper, equipment, materials and supplies and international shipping.

AMERICAN REPUBLICS PROGRAM

3. Television and Film Activities (1989 Actual, $366,654; 1990 Estimate, $397,030; 1991 Estimate, $403,463; Increase, $6,433).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Production and adaptation........................	$107,069	$117,705	$119,446	$1,741
b. Distribution and promotion.......................	100,655	126,712	131,404	4,692
c. Audio-visual equipment and maintenance..........	158,930	152,613	152,613	--
Total	366,654	397,030	403,463	6,433

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; and (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials.

The net increase of $6,433 in 1991 is requested to provide $9,433 for cost increases for services, procurement of supplies, materials and equipment and international shipping offset, in part, by $3,000 for 1991 program reductions.

4. American Centers and Related Activities (1989 Actual, $3,290,633; 1990 Estimate, $3,351,809; 1991 Estimate, $3,704,846; Increase, $353,037).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. American center operations	$1,947,941	$1,946,374	$2,277,302	$330,928
b. Book programs	186,686	177,906	151,383	-26,523
c. Exhibits	142,289	110,505	105,185	-5,320
d. Presentations	54,825	56,853	56,330	-523
e. English teaching	70,986	90,595	94,086	3,491
f. Lectures, seminars and other programs	887,906	969,576	1,020,560	50,984
Total..	3,290,633	3,351,809	3,704,846	353,037

AMERICAN REPUBLICS PROGRAM

In each city, where the local situation permits, the cultural center operates as the focus of coordinated and targeted post programming. This program activity consists of: (a) operating, support, and space costs for 14 cultural centers; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic, and scientific achievements. At a number of posts, the costs of English-teaching materials, supplies and equipment and certain library services are financed by receipts from English students and library users. Such fees are included in the reimbursement figures displayed in the summary tables in this section.

The net increase of $353,037 in 1991 is requested to provide $186,587 for cost increases for services, rents, utilities, contractual services, transportation, international shipping and procurement of supplies and materials; $200,000 for renovation/refurbishment of USIS facilities in Rio de Janeiro, Brazil; and $104,945 for multi-year lease payments due in 1991. These increases are offset, in part, by non-recurring costs of $80,000 for relocation of USIS facilities in Tegucigalpa, Honduras, and $58,495 for 1991 program savings.

5. Binational Center Assistance (1989 Actual, $574,857; 1990 Estimate, $513,029; 1991 Estimate, $483,155; Decrease, $-29,874).

These funds provide for Agency assistance to binational center organizations in 17 American Republics countries. The funds are used to support operating expenses of the centers and special activities undertaken by the centers in support of Agency programs. In addition, a total of three American officers are assigned to selected class "A" binational center organizations in three countries. Salary and allowance costs for these positions are included under "Overseas American Employee Compensation and Benefits".

The net decrease of $29,874 results from 1991 reductions of $63,500 offset, in part, by requested increases of $33,626 for cost increases for locally procured services, supplies and materials.

6. Program Direction (1989 Actual, $350,907; 1990 Estimate, $430,138; 1991 Estimate, $430,439; Increase, $301).

These funds provide for travel by the Area Director and staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines, and newspapers for staff use; and travel and other expenses for local research activities.

The increase of $301 in 1991 is requested to cover cost increases for international air fares and locally procured services and materials.

7. Other Program Expenses (1989 Actual, $5,482,283; 1990 Estimate, $4,922,673; 1991 Estimate, $5,217,098; Increase, $294,425).

These funds provide for residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The net increase of $294,425 is requested to provide:

a. $375,156 for cost increases for office and residential lease renewals, utilities, international shipping and procurement of vehicles, supplies and materials;
b. $74,994 for multi-year lease payments due in 1991; and
c. $30,000 for maintenance costs associated with the overseas automation update program initiative.

These increases are offset, in part, by the following decreases:

a. Non-recurring costs of $95,270 for multi-year leases paid in 1990;
b. Non-recurring costs of $10,101 for full-year savings of exchange rate adjustments through November 30, 1989; and
c. $80,354 for 1991 program reductions.

AMERICAN REPUBLICS PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)
POSITIONS:				
Domestic	21	21	21	--
Overseas American	129	129	123	-6
Foreign National	549	544	541	-3
Total, Positions	699	694	685	-9
COSTS BUDGETED BY COUNTRY:				
Argentina	$ 1,193,330	$ 1,512,315	$ 1,655,742	$ 143,427
Bahamas	250,905	236,942	247,837	10,895
Barbados	535,019	506,546	530,051	23,505
Bolivia	693,211	665,842	707,970	42,128
Brasil	4,284,695	4,303,925	4,794,459	490,534
Chile	1,197,313	1,100,432	1,161,769	61,337
Colombia	984,800	905,778	941,634	35,856
Costa Rica	460,357	461,272	498,343	37,071
Cuba	90,449	90,324	96,071	5,747
Dominican Republic	352,423	415,054	446,382	31,328
Ecuador	518,665	469,739	497,140	27,401
El Salvador	515,070	412,706	452,134	39,428
Guatemala	498,535	483,790	533,681	49,891
Guyana	200,895	190,226	219,489	29,263
Haiti	513,536	478,533	516,754	38,221
Honduras	612,930	718,172	658,025	-60,147
Jamaica	408,273	347,231	377,858	30,627
Mexico	2,596,842	2,655,981	2,851,277	195,296
Nicaragua	291,337	303,688	359,163	55,475
Panama	892,297	899,353	939,902	40,549
Paraguay	247,616	232,561	250,198	17,637
Peru	862,145	1,096,946	1,163,343	66,397
Suriname	222,189	236,611	263,168	26,557
Trinidad	411,448	384,650	409,684	25,034
Uruguay	658,744	688,383	712,092	23,709
Venezuela	532,914	571,136	615,288	44,152
Subtotal Country Costs	20,025,938	20,368,136	21,899,454	1,531,318

AMERICAN REPUBLICS PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs (Continued)

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)
AREA-WIDE COSTS:				
Area-Wide Program Funds	$ 568,690	$ 572,399	$ 551,345	$ -21,054
Domestic Employee Compensation and Benefits	1,087,718	1,109,663	1,200,292	90,629
Overseas American Employee Compensation & Benefits a/	8,389,315	8,920,179	9,267,609	347,430
Subtotal, Area-Wide Costs	10,045,723	10,602,241	11,019,246	417,005
Total, Gross Funds	30,071,661	30,970,377	32,918,700	1,948,323
Deduct Reimbursements	-127,180	-113,000	-113,000	--
Total, Direct Funds	29,944,481	30,857,377	32,805,700	1,948,323

a/ Excludes Foreign Service allowances and rest and recuperation travel which are paid at posts and included above in costs budgeted by country.

WEST EUROPEAN PROGRAM

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements.................................	$50,657,777	$52,174,418	$55,131,300	$2,956,882

General Statement

I. SUMMARY

The budget for Western Europe covers 23 country programs and four regional offices. Included are 26 American centers and one binational center. These operations will be directed by a domestic staff of 16 and staffed by 143 overseas American and 566 foreign national employees in 1991. In 1991, a total of $55,131,300 is requested for West European Programs. The net increase of $2,956,882 over the 1990 level is requested to meet wage and price increases and other built-in requirements.

II. 1989 AND 1990 PROGRAMS

The countries of Western Europe, with their growing unity resulting from moves by the European Community (EC) toward closer integration and the need to coordinate responses to the dramatic developments in Eastern Europe, present unique challenges for USIA in explaining and promoting USG policies.

NATO's 40th anniversary in 1989 offered an excellent opportunity to address political and security issues facing the Atlantic community. Atlantic cooperation was the unifying theme in USIA programs marking the 40th anniversary. Our programs covered NATO's deterrence policy and burden-sharing among the allies, while acknowledging and encouraging the process of reform in East European countries and resulting reduction of East-West tensions. USIA employed the full range of speaker and exchange programs, NATO tours, Worldnet dialogues with key administration officials, conferences, and seminars to address security themes. USIA supported the meeting of President Bush and President Gorbachev off the coast of Malta. In addition support was provided for Presidential visits to Canada, to the NATO summit, and to five European allies to project the image of U.S. leadership--especially important during 1989, the first year of the new Administration.

The integration of Europe's economies, and the U.S. role as one of its major trading partners, was another area of public affairs concern. USIA promoted U.S. interests in free trade, open markets, and the abolition of subsidies in the unified European market. Among the programs employed to present U.S. views were a specialised tour of the U.S. by EC journalists, Ampart and exchange programs on economic issues, as well as VOA and Worldnet TV interviews. In its public affairs support for President Bush's trip to the Paris Economic Summit meeting of the Group of 7, USIA promoted the positive nature of U.S.-EC relations. The U.S.-Canada Free Trade Agreement was another focus of special programming attention.

II. 1989 AND 1990 PROGRAMS (cont.)

European interests were also affected by events and concerns beyond the region's borders. USIA posts worked to promote understanding of and support for U.S. positions on such transnational concerns as control of narcotics trafficking, human rights, environmental protection, and terrorism.

The collapse of Communist regimes in Eastern Europe in 1989 shifted the focus of American foreign policy to the enunciation of a continuing American involvement in European affairs in a changed context. USIS programming explained NATO consensus positions in major arms control negotiations and highlighted the evolving role of NATO in an era of reduced tensions. In addition to security issues, USIA activities continued to emphasize the U.S. commitment to open markets and our determination to oppose protectionist measures by the EC, as Europe advances toward a unified economic market.

In FY 1990, program reductions totaling $751,912 were taken which eliminated one overseas American at USOECD and a total of 17 Foreign Service National positions in twelve countries.

III. 1991 PLANS

In this period of historic change in Europe as a whole, the challenge for U.S. foreign policy is to define the U.S. role in new terms. The NATO alliance, long the cornerstone of U.S.-European relations, is reshaping its role in response to a radically changed situation. As the perceived threat from the Soviet Union recedes in the view of European publics, U.S. influence and involvement in European affairs will increasingly be based on political and economic ties. USIS programs in Western Europe will emphasize American's role as a steadfast advocate of market economies, pluralistic democracies, and institutional guarantees of human rights, as well as the reliability of the U.S. as a partner in European defense and trade.

WEST EUROPEAN PROGRAM

III. 1991 PLANS (con't)

In 1991 a total of $55,131,300 is requested for the West European Area. The net increase of $2,956,882 over the 1990 level will only partially maintain current service requirements. The increase will provide $3,666,119 to cover overseas wage and price increases and other built-in requirements. These increases will be offset in part by infrastructure reductions of $709,237 which may be derived by eliminating one American at the Office of Economic Cooperation and Development (OECD) in Paris; eliminating one American and three FSN positions from Italy; and by reducing foreign national staffs in Finland, France, Germany, Spain, and Sweden.

Because of the important role the OECD plays as the European Community (EC) moves toward an integrated single market in 1992, and in the relationship between the EC and non-EC states in the OECD, USIS Paris and USEC Belgium will continue to provide public affairs support to the U.S. Mission to the OECD.

The "Program Activity Costs" displayed in the justifications that follow consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educational and Cultural Affairs, Programs, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. Descriptions and costs for the trade fairs, cultural exchange exhibits and solo exhibits appear in the Program Coordination, Production, and Support section of the budget. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, details for which are contained in the Administrative Support from Other Agencies section of this budget.

WEST EUROPEAN PROGRAM

Summary of Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	16	16	16	--	
Overseas American	146	145	143	-2	
Foreign National	595	578	566	-12	9-7
Total, Positions	757	739	725	-14	
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 952,473	$ 1,013,311	$ 1,093,155	$ 79,844	9-5
B. Overseas American Employee Compensation & Benefits	11,618,243	11,784,571	12,580,643	796,072	9-5
C. Foreign National Employee Compensation & Benefits	21,483,738	22,962,731	23,951,335	988,604	9-6
D. Program Activity Costs:					
1. Radio	23,225	22,697	23,087	390	9-8
2. Press and Publications	2,420,225	2,377,188	2,481,846	104,658	9-8
3. Television and Films	334,264	358,527	370,782	12,255	9-9
4. American Centers and Related Activities	6,217,349	7,141,809	7,455,879	314,070	9-9
5. Binational Centers	128,947	121,008	133,795	12,787	9-10
6. Program Direction	1,788,890	1,332,324	1,385,682	53,358	9-10
7. Other Program Expenses	5,762,061	5,705,252	6,300,096	594,844	9-11
Sub-total, Activity Costs	16,674,961	17,058,805	18,151,167	1,092,362	
Total, Gross Funds	50,729,415	52,819,418	55,776,300	2,956,882	
E. Deduct Reimbursements	-71,638	-645,000	-645,000	--	
Total, Direct Funds	50,657,777	52,174,418	55,131,300	2,956,882	

WEST EUROPEAN PROGRAM

A. Domestic Employee Compensation and Benefits (1989 Actual, $952,473; 1990 Estimate, $1,013,311; 1991 Estimate, $1,093,155; Increase, $79,844).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions..	16	16	16	--
Salary and Direct Benefit Costs....................	$952,473	$1,013,311	$1,093,155	$79,844

The net increase of $79,844 in 1991 is requested to provide $10,000 for full-year costs of Federal pay raises effective for part of 1990; $9,000 for FICA, Medicare, and other benefit cost increases; $3,000 for an additional day's pay in 1991; and $57,844 for Federal pay raises scheduled for 1991 including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase.

B. Overseas American Employee Compensation and Benefits (1989 Actual, $11,618,243; 1990 Estimate, $11,784,571; 1991 Estimate, $12,580,643; Increase, $796,072).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions..	146	145	143	-2
1. Salary and Direct Benefit Costs...............	$9,998,306	$10,377,862	$11,084,188	$706,326
2. Hardship Post Differentials...................	106,622	100,995	103,646	2,651
3. Foreign Service Allowances....................	1,497,996	1,293,319	1,378,000	84,681
4. Rest and Recuperation Travel..................	15,319	12,395	14,809	2,414
Total....................................	11,618,243	11,784,571	12,580,643	796,072

The net increase of $796,072 in 1991 is requested to provide $91,000 for full-year costs of Federal pay raises effective for part of 1990; $87,095 for Foreign Service Allowances and rest and recuperation travel cost increases, $81,000 for FICA and other benefits increases; $35,000 for an additional day's pay in 1991; and $634,361 for Federal pay raises scheduled for 1991 including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase. These increases are partially offset by full-year savings of $40,190 resulting from the elimination of one position in Cyprus and one position at the Office of Economic Cooperation and Development (OECD) in Paris in 1990; and $92,194 due to the elimination of one position in Italy and one position in Paris in 1991.

WEST EUROPEAN PROGRAM

C. Foreign National Employee Compensation and Benefits (1989 Actual, $21,483,738; 1990 Estimate, $22,962,731; 1991 Estimate, $23,951,335; Increase, $988,604).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions..	595	578	566	-12
Salary and Direct Benefit Costs......................	$21,483,738	$22,962,731	$23,951,335	$988,604

The net increase of $988,604 in 1991 is requested to provide $1,156,759 for foreign national employee wage-scale increases, consisting of $190,808 for the full-year cost of increases effective for part of 1990 and $965,951 for increases anticipated in 1991; $231,200 for within-grade salary increases; $73,066 for severance costs associated with the elimination of 12 foreign national positions in 1991; $79,318 for an additional day's pay in 1991; and $64,238 for full-year costs of exchange rate changes through November 30, 1989. These increases are partially offset by a decrease of $447,407 resulting from the elimination of twelve positions in 1991 due to budgetary constraints, consisting of two each in Finland, France, Germany, and Sweden, three in Italy, and one in Spain; and $168,570 for full-year savings of positions eliminated in 1990.

Domestic, Overseas American, and Foreign National Employee Compensation and Benefits provide for positions in the Area as follows:

WEST EUROPEAN PROGRAM

	1989 Actual			1990 Estimate			1991 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic Program Direction..............	16	--	16	16	--	16	16	--	16
Country and Regional Elements									
Austria..............................	5	17	22	5	16	21	5	16	21
Belgium..............................	5	19	24	5	19	24	5	19	24
Canada..............................	6	13	19	6	13	19	6	13	19
Cyprus..............................	2	8	10	1	7	8	1	7	8
Denmark..............................	3	11	14	3	10	13	3	10	13
Finland..............................	3	17	20	3	16	19	3	14	17
France..............................	13	52	65	13	51	64	13	49	62
German Federal Republic (incl. W. Berlin)	27	146	173	27	144	171	27	142	169
Greece..............................	7	40	47	7	37	44	7	37	44
Iceland..............................	1	6	7	1	6	7	1	6	7
Ireland..............................	1	3	4	1	3	4	1	3	4
Italy..............................	16	64	80	16	63	79	15	60	75
Luxembourg..............................	--	1	1	--	1	1	--	1	1
Malta..............................	1	5	6	1	5	6	1	5	6
Netherlands..............................	4	11	15	4	11	15	4	11	15
Norway..............................	3	11	14	3	10	13	3	10	13
Portugal..............................	3	22	25	3	22	25	3	22	25
Spain..............................	11	42	53	11	42	53	11	41	52
Sweden..............................	3	16	19	3	15	18	3	13	16
Switzerland..............................	1	3	4	1	3	4	1	3	4
Turkey..............................	10	54	64	10	51	61	10	51	61
United Kingdom..............................	8	21	29	9	21	30	9	21	30
The Vatican..............................	1	2	3	1	1	2	1	1	2
RRU London..............................	1	2	3	1	2	3	1	2	3
USIO Geneva..............................	2	5	7	2	5	7	2	5	7
USEC Brussels..............................	2	4	6	2	4	6	2	4	6
USNATO Brussels..............................	5	--	5	5	--	5	5	--	5
USOECD Paris..............................	2	--	2	1	--	1	--	--	--
Sub-total, Country and Regional Elements	146	595	741	145	578	723	143	566	709
Total, Positions..................	162	595	757	161	578	739	159	566	725

WEST EUROPEAN PROGRAM

D. Program Activity Costs (1989 Actual, $16,674,961; 1990 Estimate, $17,058,805; 1991 Estimate, $18,151,167; Increase, $1,092,362).

Program activity costs derive from the following: radio, press and publications, television and films, American centers and related activities, binational centers, program direction, and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S & E budget, for a general description of the nature of each of these activities.)

1. Radio Activities (1989 Actual, $23,225; 1990 Estimate, $22,697; 1991 Estimate, $23,087; Increase, $390).

This program activity consists of the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services. The net increase of $390 requested in 1991 will provide for the increased costs of locally and Washington procured services, materials, supplies and equipment.

2. Press and Publications Activities (1989 Actual, $2,420,225; 1990 Estimate, $2,377,188; 1991 Estimate, $2,481,846; Increase, $104,658).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Periodicals	$ 250,125	$ 229,558	$ 238,292	$ 8,734
b. Information placement	1,816,451	1,817,062	1,910,528	93,466
c. Pamphlets and leaflets	217,503	199,707	202,255	2,458
d. Materials and equipment	136,146	130,771	130,771	--
Total	2,420,225	2,377,188	2,481,846	104,658

This program activity consists of: (a) production and distribution of periodicals in most West European countries; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets, posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities. The net increase of $104,658 in 1991 will provide for full-year and new cost increases for the procurement of services, equipment and materials and other changes. These increases are partially offset by a programmatic savings of $5,403.

WEST EUROPEAN PROGRAM

3. Television and Film Activities (1989 Actual, $334,264; 1990 Estimate, $358,527; 1991 Estimate, $370,782; Increase, $12,255).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Production and adaptation..................	$ 56,277	$ 54,044	$ 54,388	$ 344
b. Distribution and promotion.................	251,527	280,348	292,259	11,911
c. Audio-visual equipment and maintenance......	26,460	24,135	24,135	--
Total..................................	334,264	358,527	370,782	12,255

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; and (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials. The net increase of $12,255 in 1991 will provide for full-year and new cost increases for services and materials.

4. American Centers and Related Activities (1989 Actual, $6,217,349; 1990 Estimate, $7,141,809; 1991 Estimate, $7,455,879; Increase, $314,070).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. American center operations.................	$3,719,233	$4,158,880	$4,313,781	$154,901
b. Book programs............................	18,013	19,222	19,401	179
c. Exhibits.................................	143,054	147,409	153,124	5,715
d. Presentations............................	48,791	44,793	45,190	397
e. English teaching.........................	130,840	153,495	165,236	11,741
f. Lectures, seminars, and other programs.....	2,157,418	2,618,010	2,759,147	141,137
Total................................	6,217,349	7,141,809	7,455,879	314,070

WEST EUROPEAN PROGRAM

This program activity consists of: (a) operating, support, and space costs of 26 American centers; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic, and scientific achievements. At a number of posts, the costs of English-teaching materials, supplies and equipment and certain library services are financed by receipts from English students and library users. Such fees are included in the reimbursement figures displayed in the summary tables in this section.

The net increase of $314,070 in 1991 is requested to cover $375,592 for full-year and new cost increases in rents, utilities, supplies and contractual services for American centers, and $50,000 for renovations in Greece. These increases are offset in part by a 1991 program reduction of $31,522 and non-recurring costs of $80,000 for relocation of the America Haus in Hannover, Germany.

5. Binational Center Assistance (1989 Actual, $128,947; 1990 Estimate, $121,008; 1991 Estimate, $133,795; Increase, $12,787).

These funds provide for Agency assistance to binational center organizations in Germany, Greece, France, Spain and Turkey, including operating expenses of the centers and special activities undertaken by the center in support of Agency programs.

The net increase of $12,787 in 1991 will provide for full-year and new price increases.

6. Program Direction (1989 Actual, $1,788,890; 1990 Estimate, $1,332,324; 1991 Estimate, $1,385,682; Increase, $53,358).

These funds provide for travel by the Area Director and his staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines, and newspapers for staff use; and travel and other expenses for local research activities. The net increase of $53,358 in 1991 will provide $70,415 for increased costs of procuring materials and services and other built-in increases, offset in part by a 1991 programmatic reduction of $17,057.

WEST EUROPEAN PROGRAM

7. Other Program Expenses (1989 Actual, $5,762,061; 1990 Estimate, $5,705,252; 1991 Estimate, $6,300,096; Increase, $594,844).

These funds provide for residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The net increase of $594,844 in 1991 will provide $376,729 to cover full-year and new inflationary cost increases; $150,000 for office renovation costs in Canada, and $185,000 for multi-year residential and non-residential lease costs in Turkey, offset in part by a 1991 programmatic reduction of $116,885.

WEST EUROPEAN PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
POSITIONS				
Domestic	16	16	16	--
Overseas American	146	145	143	-2
Foreign National	595	578	566	-12
Total, Positions	757	739	725	-14
COSTS BUDGETED BY COUNTRY				
Austria	$1,[illegible]9,659	$1,645,074	$1,709,354	$64,280
Belgium	[illegible],556	1,748,424	1,824,688	76,264
Canada	796,463	846,575	1,061,982	215,407
Cyprus	412,200	398,903	415,207	16,304
Denmark	871,921	852,947	860,884	7,937
Finland	1,295,777	1,310,362	1,322,306	11,944
France	4,078,654	4,165,674	4,223,739	58,065
German Federal Republic (incl. W. Berlin)	9,483,889	10,362,689	10,563,462	200,773
Greece	1,408,047	1,448,873	1,681,178	232,305
Iceland	541,872	494,489	601,028	106,539
Ireland	212,792	216,104	234,737	18,633
Italy	4,987,614	5,064,778	5,231,233	166,455
Luxembourg	79,676	84,236	86,852	2,616
Malta	224,293	244,797	262,959	18,162
Netherlands	812,700	833,549	857,697	24,148
Norway	735,197	720,961	746,245	25,284
Portugal	844,276	952,227	1,047,038	94,811
Spain	2,810,674	2,902,019	2,978,608	76,589
Sweden	684,882	675,403	676,054	651
Switzerland	299,430	311,212	323,543	12,331
Turkey	1,815,196	1,945,700	2,543,157	597,457
United Kingdom	1,942,948	1,809,025	1,959,970	150,945
The Vatican	136,476	123,653	124,823	1,170
Regional Resource Unit, London	170,635	174,952	190,367	15,395

WEST EUROPEAN PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
COSTS BUDGETED BY COUNTRY (continued)				
USIO Geneva	$ 567,034	$ 617,897	$ 641,532	$ 23,635
USEC Brussels	426,201	453,747	473,735	19,988
USNATO Brussels	587,042	615,787	642,880	27,093
USOECD Paris	129,806	97,120	--	-97,120
Subtotal, Country Costs	39,477,010	41,117,177	43,285,238	2,168,061
AREA-WIDE COSTS				
Domestic Employee Compensation and Benefits	952,473	1,013,311	1,093,155	79,844
American Employee Compensation and Direct Benefits a/	10,104,928	10,478,857	11,187,834	708,977
Regional Services	195,004	210,073	210,073	--
Subtotal, Area-wide Costs	11,252,405	11,702,241	12,491,062	788,821
Total, Gross Funds	50,729,415	52,819,418	55,776,300	2,956,882
Deduct Reimbursements	-71,638	-645,000	-645,000	--
Total, Direct Funds	50,657,777	52,174,418	55,131,300	2,956,882

a/ Excludes Foreign Service Allowances and Rest and Recuperation travel paid at posts which are included in country costs.

SOVIET UNION AND EAST EUROPEAN PROGRAM

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements................................	$18,425,535	$20,990,290 a/	$22,030,200 a/	$1,039,910 a/

General Statement

I. SUMMARY

The budget for this area covers operations in the Soviet Union, Yugoslavia and six East European countries. It also includes the Regional Program Office in Vienna and RIAS (Radio in the American Sector, Berlin). In 1991, these operations will be directed by a domestic staff of 13 and staffed by 67 overseas Americans and 160 foreign national employees. In 1991, a total of $22,030,200 is requested for Soviet Union and East European Programs. The net increase of $1,039,910 over the 1990 level to meet wage and price increases and other built-in requirements will only partially maintain the reduced level of programming established in 1990.

II. 1989 AND 1990 PROGRAMS

The dramatic developments in the Soviet Union and Eastern Europe have opened unprecedented opportunities to increase understanding of U.S. policies, to establish contact with emerging leaders in society, to highlight America's contributions in the arts and humanities, and to communicate the creativity, diversity and strength of our democratic institutions. USIA posts continue to stress personal contacts between Foreign Service officers and influential individuals in the host countries. Youth and academic exchanges, American speakers and the International Visitor Program are other important elements of our activities in Eastern Europe. Similarly, exhibits, films, libraries, Worldnet, electronic dialogues and publications are used to communicate with a general public eager for information.

U.S. relations with the USSR remain central to our national security policy, although the emphasis is shifting increasingly from confrontation toward cooperation. Intense media and public interest in US-USSR relations continues unabated, demonstrated by worldwide attention to the Malta summit--in which, as it has in the past, USIA participated fully in public affairs planning and support.

EU's role in the Soviet and Eastern European cultural and information arenas has been greatly enhanced by the success of pro-democracy movements and the relaxation of Soviet policy. The success that USIS officers now enjoy in working with current and emerging leaders in these societies stems in large part from the efforts over the past 30 years, often in the face of frustrating obstacles, of USIS predecessors supporting democratization and openness in these societies.

a/ Additional funds to carry out the President's Eastern European Initiative are included in the Educational and Cultural Affairs section of this account and in the Exchange Programs appropriation.

II. 1989 AND 1990 PROGRAMS (cont.)

Among the notable achievements of 1989:

A new agreement with Poland to establish reciprocal cultural centers in the two countries;

A $6.1 million program announced by President Bush to expand educational exchanges and cultural programs with Eastern Europe;

The first-ever Worldnet TV teleconferences with the USSR;

Facilitation of the first U.S.-Soviet high school exchange program; and

Greatly expanded information activities, including briefings by U.S. ambassadors with Eastern European media and increased distribution of Russian and other Eastern European language editions of USIA publications.

The President's Eastern European Initiative seeks to support reform in Eastern Europe and the growth of political and economic pluralism. Exchange activities play an important role in this endeavor, and a variety of new projects are underway. These include post-doctoral law study grants to focus on the rule of law; management fellowships to place young managers in business schools for special advanced training; media internships to assist journalists in the development of Western journalistic practices; establishment of a management academic program to help train managers and entrepreneurs; and establishment of an American studies program to emphasize U. S. legislative and judicial institutions. A total of $1,650,000 will be provided for these programs in the Exchanges Program appropriation in 1990 and 1991. An additional $2,943,000 will be made available by the Agency for International Development pursuant to the provisions of the Support for East European Democracy (SEED) Act of 1989.

In 1990 USIA continued to move aggressively to take advantage of the emerging new openness for new and strengthened institutional linkages. USIA will use the opportunity for new contacts and programs to advance USG views on human rights and democratization, arms control and key issues of economics and trade. And, we will also promote further expansion of academic and cultural exchanges and wider, more effective dissemination of information to help us meet the new challenge.

One interesting result of the struggle for democracy in Eastern Europe and the loosening--if not the breaking up--of the Warsaw Pact affects public diplomacy in multilateral arms control negotiations. Although Moscow once dominated the Pact's strategic and negotiating policies, increasingly independent countries of Eastern Europe are discovering their own special concerns as well as the voice with which to express them. Consequently, arms control will take on an invigorated life and new importance in the public affairs programming by USIA posts in Eastern Europe.

SOVIET UNION AND EAST EUROPEAN PROGRAM

Continuing budgetary constraints have necessitated slight retrenchments in program funds. In 1990 we implemented cuts totaling $185,128 and six positions. In recognition of historic, far-reaching changes taking place there, no cuts were imposed on the programs in the USSR and six East European posts. Instead, the reduction was taken in the Yugoslavia program and through the elimination of one American position at RIAS.

III. 1991 PLANS

The continuing movement in Eastern Europe and the Soviet Union toward openness and democracy provides USIA with vast, unprecedented opportunities. The obvious hunger in these societies for information about and contact with the West provides an environment of greater acceptance for USIA programs and products--including speakers, exhibits, educational and cultural exchanges, libraries, publications and informational materials for the news media. USIA is also cooperating closely with the U.S. private sector to create and carry out expanded exchange and information programs in Eastern Europe. At the same time, lingering doubts--in both East and West--about the resilience of these reforms, exacerbated by stringent USG budgetary limitations, hamper USIA's efforts to produce these programs and to provide the overseas staff to carry them out.

In 1991 a total of $22,030,200 is requested for the Agency's Soviet Union and East European Program. The net increase of $1,039,910 over the 1990 level will only partially maintain current service requirements. Requested built-in increases of $1,713,517 consist of wage scale and price increases, provision for expanded distribution of America Illustrated in the USSR, a multi-year lease payment, and other built-in requirements.

In order to take full advantage of enhanced program opportunities inside the societies of the USSR and Eastern Europe, we will make every effort to limit reductions at posts in these countries. We do, however, propose to eliminate one American and three Foreign Service Nationals in Yugoslavia; and eliminate Dialogue inserts at RPO Vienna. Savings derived from this action are estimated to be $673,607.

The "Program Activity Costs" displayed in the justifications that follow consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educational and Cultural Affairs, Programs, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. Descriptions and costs for the trade fairs, cultural exchange exhibits and solo exhibits appear in the Program Coordination, Production, and Support section of the budget. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, details for which are contained in Administrative Support from Other Agencies section of this budget.

SOVIET UNION AND EAST EUROPEAN PROGRAM

Summary of Requirements

	1989 Actual	1990 Estimate a/	1991 Estimate a/	Increase or Decrease (-) a/	Page Ref.
POSITIONS:					
Domestic	13	13	13	--	
Overseas American	68	69	67	-2	
Foreign National	170	169	160	-9	
Total, Positions	251	251	240	-11	10-7
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 634,982	$ 750,944	$ 806,415	$ 55,471	10-5
B. Overseas American Employee Compensation & Benefits	5,046,700	5,663,355	6,079,727	416,372	10-5
C. Foreign National Employee Compensation & Benefits	3,099,097	4,326,317	5,045,375	719,058	10-6
D. Program Activity Costs:					
1. Radio	2,081,263	2,821,477	2,913,397	91,920	10-8
2. Press and Publications	2,323,072	2,300,682	2,182,318	-118,364	10-8
3. Television and Films	676,717	696,851	719,627	22,776	10-9
4. American Centers and Related Activities	2,448,397	2,799,722	2,454,795	-344,927	10-10
5. Program Direction	541,670	461,409	484,393	22,984	10-11
6. Other Program Expenses	1,603,174	1,249,891	1,424,511	174,620	10-11
Subtotal, Activity Costs	9,674,293	10,330,032	10,179,041	-150,991	
Total, Gross Funds	18,455,072	21,070,648	22,110,558	1,039,910	
E. Deduct Reimbursements	-29,537	-80,358	-80,358	--	
Total, Direct Funds	18,425,535	20,990,290	22,030,200	1,039,910	

a/ In order to take full advantage of enhanced program opportunities inside the societies of the USSR and Eastern Europe, we have limited program cuts in 1990 and 1991 in this region to programs in Yugoslavia, RIAS, and the Regional Projects Office in Vienna. As noted on page 2 of this section, additional funds for the President's Eastern European Initiative are included in the Exchanges Program appropriation and in the Educational and Cultural Affairs section of the Salaries and Expenses account.

SOVIET UNION AND EAST EUROPEAN PROGRAM

A. Domestic Employee Compensation and Benefits (1989 Actual, $634,982; 1990 Estimate, $750,944; 1991 Estimate, $806,415; Increase, $55,471).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions..	13	13	13	--
Salary and Direct Benefit Costs..................	$634,982	$750,944	$806,415	$55,471

The net increase of $55,471 in 1991 is requested to provide $6,000 for full-year costs of Federal pay raises effective for part of 1990; $6,000 for FICA, Medicare, and other benefit cost increases; $3,000 for an additional day's pay in 1991; and $40,471 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase.

B. Overseas American Employee Compensation and Benefits (1989 Actual, $5,046,700; 1990 Estimate, $5,663,355; 1991 Estimate, $6,079,727; Increase, $416,372).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions..	68	69	67	-2
1. Salary and Direct Benefit Costs...............	$4,249,542	$5,006,104	$5,368,088	$361,984
2. Hardship Post Differentials...................	355,347	336,564	345,399	8,835
3. Foreign Service Allowances....................	367,974	268,016	310,140	42,124
4. Rest and Recuperation Travel..................	73,837	52,671	56,100	3,429
Total....................................	5,046,700	5,663,355	6,079,727	416,372

The net increase of $416,372 in 1991 is requested to provide $43,000 for full-year costs of Federal pay raises effective for part of 1990; $45,553 for Foreign Service Allowances and rest and recuperation travel cost increases and other built-in increases; and $42,000 for FICA and other benefit increases; $18,000 for an additional day's pay in 1991; $294,726 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; and $125,275 for full-year salary costs of two positions added in 1990 in Warsaw and Budapest. These increases are partially offset by full-year savings of $35,000 resulting from a program reduction of one position at RIAS in 1990; and $117,182 due to the elimination of one position in Belgrade and one position at RPO Vienna, due to elimination of Dialogue inserts.

SOVIET UNION AND EAST EUROPEAN PROGRAM

C. Foreign National Employee Compensation and Benefits (1989 Actual, $3,099,097; 1990 Estimate, $4,326,317; 1991 Estimate, $5,045,375; Increase, $719,058).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Positions...	170	169	160	-9
Salary and Direct Benefit Costs.....................	$3,099,097	$4,326,317	$5,045,375	$719,058

The net increase of $719,058 in 1991 is requested to provide $841,808 for foreign national employee wage-scale increases, consisting of $566,784 for the full-year cost of increases effective part of 1990 and $275,024 for increases anticipated in 1991; $67,600 for within-grade salary increases; $29,200 for severance costs associated with the elimination of two foreign national positions in 1991; $15,011 for an additional day's pay in 1991; $15,250 for full-year salary costs of three positions added in 1990 in Warsaw; and $6,913 for full-year costs of exchange rate changes through November 30, 1989. These increases are partially offset by full-year savings of $11,540 for three positions eliminated in Yugoslavia in 1990; and $245,184 for three positions eliminated in Belgrade and six positions at RPO Vienna due to the elimination of *Dialogue* inserts.

Domestic, Overseas American, and Foreign National Employees Compensation and Benefits provide for positions in the Area as follows:

SOVIET UNION AND EAST EUROPEAN PROGRAM

	1989 Actual			1990 Estimate			1991 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic Program Direction	13	--	13	13	--	13	13	--	13
Country and Regional Elements									
Bulgaria	3	3	6	3	3	6	3	3	6
Czechoslovakia	4	7	11	4	7	11	4	7	11
German Democratic Republic	3	3	6	3	3	6	3	3	6
Hungary	4	6	10	5	7	12	5	7	12
Poland	10	25	35	11	29	40	11	29	40
Romania	5	15	20	5	15	20	5	15	20
U.S.S.R.	17	-- a/	17	17	-- a/	17	17	-- a/	17
Yugoslavia	15	69	84	15	64	79	14	61	75
Regional Program Office	4	42	46	4	41	45	3	35	38
RIAS	3	--	3	2	--	2	2	--	2
Subtotal, Country and Regional Elements	68	170	238	69	169	238	67	160	227
Total, Positions	81	170	251	82	169	251	80	160	240

a/ Special contractual employees.

SOVIET UNION AND EAST EUROPEAN PROGRAM

D. Program Activity Costs (1989 Actual, $9,674,293; 1990 Estimate, $10,330,032; 1991 Estimate, $10,179,041; Decrease, $-150,991).

Program activity costs are derived from the following: radio, press and publications, television and films, American centers and related activities, program direction, and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S & E budget, for a general description of the nature of each of these activities.)

1. Radio Activities (1989 Actual, $2,081,263; 1990 Estimate, $2,821,477; 1991 Estimate, $2,913,397; Increase, $91,920).

This activity funds the transmitter operations and maintenance costs for RIAS, the U.S. radio station in Berlin. It also provides for the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services. The net increase of $91,920 requested in 1991 will provide for full-year and new inflationary cost increases for locally procured services, materials, supplies, and equipment.

2. Press and Publications Activities (1989 Actual, $2,323,072; 1990 Estimate, $2,300,682; 1991 Estimate, $2,182,318; Decrease, $-118,364).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Periodicals	$1,722,369	$1,686,340	$1,558,706	$-127,634
b. Information Placement	102,070	141,990	149,922	7,932
c. Pamphlets and Leaflets	76,781	75,311	76,649	1,338
d. Materials and Equipment	421,852	397,041	397,041	--
Total	2,323,072	2,300,682	2,182,318	-118,364

This program activity consists of: (a) production and distribution of periodicals; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets, posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities. The Regional Program Office (RPO) in Austria produces window displays, small exhibits and various publications in language versions for distribution in the Soviet Union, Yugoslavia and East Europe. Inserts in six languages for the Agency's centrally produced magazine, *Dialogue*, are produced at RPO.

The net decrease of $118,364 in 1991 results from non-recurring costs of $302,810 for the elimination of *Dialogue* inserts; offset in part, by increases of $34,446 for full-year and new inflationary cost increases for postage, shipping, supplies and materials, equipment, and other services and $150,000 to increase the circulation of *America Illustrated* magazine in the USSR by an additional 20,000 copies, from 100,000 to 120,000 copies. This latter increase was authorized by the formal agreement between the U.S. and the USSR signed on May 31, 1988, which approved an increase in the circulation of *America Illustrated* from the existing level of 60,000 copies to 120,000 by 1991. The first increase of 20,000 copies was made in 1989, and the second 20,000 copy increase is being done in 1990.

3. Television and Film Activities (1989 Actual, $676,717; 1990 Estimate, $696,851; 1991 Estimate, $719,627; Increase, $22,776).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Production and Adaptation	$ 32,972	$ 32,542	$ 32,720	$ 178
b. Distribution and Promotion	57,421	58,136	61,794	3,658
c. Audio-Visual Equipment and Maintenance	18,385	21,332	21,332	--
d. RIAS-TV Broadcasting	567,939	584,841	603,781	18,940
Total	676,717	696,851	719,627	22,776

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials; and (d) transmitter operations and system maintenance costs for RIAS-TV, which began broadcasting from the new U.S. television station in West Berlin to East Berlin and other parts of East Germany in August 1988.

The net increase of $22,776 in 1991 will provide for full-year and new inflationary cost increases for services and materials.

SOVIET UNION AND EAST EUROPEAN PROGRAM

4. American Centers and Related Activities (1989 Actual, $2,448,397; 1990 Estimate, $2,799,722; 1991 Estimate, $2,454,795; Decrease, $-344,927).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. American Center Operations	$1,196,401	$2,041,711	$1,660,598	$-381,113
b. Book Programs	529,570	39,407	39,427	20
c. Exhibits	216,180	208,200	214,282	6,082
d. Presentations	44,204	44,127	46,589	2,462
e. English Teaching	100,273	80,588	82,462	1,874
f. Lectures, Seminars, and Other Programs	361,769	385,689	411,437	25,748
Total	2,448,397	2,799,722	2,454,795	-344,927

This program activity consists of: (a) operating, support, and space costs for American centers in Bucharest, Romania; Belgrade, Ljubljana, Zagreb, Skopje, Sarajevo and Titograd, Yugoslavia; and Krakow, Poland; and information support to the Consulates in Poznan, Poland, and in Leningrad, U.S.S.R.; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic, and scientific achievements. At a number of posts, the costs of English-teaching materials, supplies and equipment and certain library services are financed by receipts from English students and library users. Such fees are included in the reimbursement figures displayed in the summary tables in this section.

The net decrease of $344,927 in 1991 results from non-recurring start-up costs of $444,567 for the planned American Center in Warsaw; $50,000 for American Center renovations in Sofia, Bulgaria; and $8,431 for reduced expenditures due to position reductions in Yugoslavia; offset, in part, by an increase of $158,071 for full-year and new cost increases for rents, utilities, contractual services, transportation, and supplies and materials for American centers and related activities.

SOVIET UNION AND EAST EUROPEAN PROGRAM

5. Program Direction (1989 Actual, $541,670; 1990 Estimate, $461,409; 1991 Estimate, $484,393; Increase, $22,984).

These funds provide for travel by the Area Director and his staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines, and newspapers for staff use; and travel and other expenses for local research activities. The net increase of $22,984 in 1991 will provide for projected cost increases for materials and services and international air fares and other related expenses.

6. Other Program Expenses (1989 Actual, $1,603,174; 1990 Estimate, $1,249,891; 1991 Estimate, $1,424,511; Increase, $174,620).

These funds provide for residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The increase of $174,620 will provide for a multi-year lease in Belgrade ($150,000) and full-year and new cost increases in residential and office rents, utilities, maintenance costs, vehicle purchases and shipping, and other related expenses ($24,620).

SOVIET UNION AND EAST EUROPEAN PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

POSITIONS	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Domestic	13	13	13	--
Overseas American	68	69	67	-2
Foreign National	170	169	160	-9
Total, Positions	251	251	240	-11
COSTS BUDGETED BY COUNTRY				
Bulgaria	$ 210,205	$ 216,766	$ 172,090	$ -44,676
Czechoslovakia	289,680	280,318	292,740	12,422
German Democratic Republic	308,352	406,078	413,479	7,401
Hungary	686,557	356,584	403,433	46,849
Poland	851,207	1,398,613	1,131,250	-267,363
Romania	960,086	895,982	966,587	70,605
U.S.S.R.	1,092,364	1,080,134	1,253,389	173,255
Yugoslavia	2,585,426	3,397,359	4,237,831	840,472
Regional Program Office	3,376,579	3,323,718	2,987,566	-336,152
RIAS	2,644,753	3,400,946	3,511,753	110,807
Subtotal, Country Costs	13,005,209	14,756,498	15,370,118	613,620
AREA-WIDE COSTS				
Domestic Employee Compensation and Benefits	634,982	750,944	806,415	55,471
American Employee Compensation and Direct Benefits a/	4,604,889	5,342,668	5,713,487	370,819
Regional Services	209,992	220,538	220,538	--
Subtotal, Area-wide Costs	5,449,863	6,314,150	6,740,440	426,290
Total, Gross Funds	18,455,072	21,070,648	22,110,558	1,039,910
Deduct Reimbursements	-29,537	-80,358	-80,358	--
Total, Direct Funds	18,425,535	20,990,290	22,030,200	1,039,910

a/ Excludes Foreign Service Allowances and Rest and Recuperation travel paid at posts which are included in country costs.

WORLD-WIDE MISSION COSTS

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements	$27,973,053	$28,876,623	$31,267,800	$2,391,177

General Statement

This section covers funds for those overseas mission expenses that are administered on a world-wide basis. These items are: training, Foreign Service pipeline costs, home leave transfer and related costs, representation, Foreign Service medical expenses, emergency travel, personal property claims, overseas security expenses, Board of Examiner security and personnel expenses, and air pouch shipping costs.

In 1991 a total of $31,267,800 is requested for World-Wide Mission Costs. Budget stringencies required program reductions in 1990 totalling $205,000 including reductions in ad hoc professional and technical training, mid-level and other career development training programs, and overseas security support.

The net increase of $2,391,177 over the 1990 level will partially maintain current service requirements. Requested built-in increases consist of $916,503 for price increases, primarily for assignment travel, shipping, tuition, and medical costs, consisting of $412,000 for full-year costs of increases effective for part of 1990 and $504,503 for increases anticipated in 1991; $97,000 for full-year costs of the Federal pay raise effective for part of 1990 and $588,472 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive pay increase; $610,890 for full-year costs of improvements in Foreign Service Officer language proficiency; and $221,420 for other built-in salary, assignment travel, and training costs. These increases are partially offset by 1991 budget reductions of $43,108 in overseas security.

WORLD-WIDE MISSION COSTS

Summary of Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
POSITIONS:					
1. Training	109	110	116	6	
2. Foreign Service Pipeline	70	70	70	--	
Total, Positions	179	180	186	6	
1. Training	$10,617,326	$10,921,736	$12,044,390	$1,122,654	11-03
2. Foreign Service Pipeline	4,853,666	5,089,186	5,574,494	485,308	11-07
3. Home Leave, Transfer and Related Costs	7,746,357	7,890,099	8,435,325	545,226	11-07
4. Foreign Service Medical Expenses	1,185,360	1,249,817	1,370,837	121,020	11-09
5. Emergency Travel and Claims	208,267	209,265	223,342	14,077	11-09
6. Representation Allowance	1,052,701	1,152,500	1,152,500	--	11-09
7. Overseas Security Expenses	323,649	335,000	291,892	-43,108	11-10
8. Board of Examiner Costs	272,964	307,020	307,020	--	11-11
9. New York Air Pouch Shipping	1,712,763	1,722,000	1,868,000	146,000	11-11
Total, Direct Funds	27,973,053	28,876,623	31,267,800	2,391,177	

WORLD-WIDE MISSION COSTS

Explanation of Requirements

1. Training (1989 Actual, $10,617,326; 1990 Estimate, $10,921,736; 1991 Estimate, $12,044,390; Increase, $1,122,654).

The Agency's training program for American and foreign national staffs is composed of the categories listed below. All overseas American positions are computed on the basis of work-years.

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
a. Area and Language Training....	35	$5,670,477	37	$5,898,722	43	$6,810,565	6	$911,843
b. Professional and Technical Training....................	7	1,088,060	6	998,348	6	1,050,774	--	52,426
c. Junior Officer Training	67	3,838,487	67	4,008,389	67	4,166,774	--	158,385
d. Training Aids.................	--	20,302	--	16,277	--	16,277	--	--
Total, Training............	109	10,617,326	110	10,921,736	116	12,044,390	6	1,122,654

WORLD-WIDE MISSION COSTS

a. Area and Language Training:

Summary of Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
1. Trainee Compensation and Benefits..................	$2,646,819	$2,904,783	$3,424,736	$519,953
2. Travel and Per Diem.........	566,048	567,146	607,146	40,000
3. FSI Language Training.......	1,445,193	1,464,052	1,638,842	174,790
4. Training Fees, Materials and Other Expenses............	1,012,417	962,741	1,139,841	177,100
Total, Area and Language Training..............	5,670,477	5,898,722	6,810,565	911,843

These funds provide for Agency Foreign Service employees and dependents (except Junior Officer Trainees) who are enrolled in area and language training programs, primarily at the Foreign Service Institute. Officers are also enrolled at selected American universities and in privately operated language courses.

The net increase of $911,843 in 1991 is requested to provide $20,000 for full-year costs of the Federal pay raise effective for part of 1990 and $92,953 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $610,890 and six work years for full-year costs of expanding Foreign Service Officer language proficiency to the S4/R4 level in Russian, French, German, Arabic, Chinese, Japanese and Korean (including $376,000 in salary costs and $234,890 in training fees and allowances); $157,000 for tuition and travel rate increases; and $31,000 for annualization of FICA and medicare rate increases and other built-in salary requirements.

b. Professional and Technical Training:

Summary of Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
1. Trainee Compensation and Benefits..................	$ 600,458	$ 529,921	$ 577,347	$47,426
2. Travel and Per Diem.........	61,656	59,290	64,290	5,000
3. Training Fees and Materials.	425,946	409,137	409,137	--
Total, Professional and Technical Training.....	1,088,060	998,348	1,050,774	52,426

These funds provide for salaries, travel, per diem, and other training costs for Agency Foreign Service employees who (1) attend the Foreign Service Institute, the Service Colleges of the Defense Department and American universities; and (2) are assigned to the Agency's mid-career media training and other career development programs. This training category also provides for the cost of tuition, travel, per diem, and training materials for other professional and technical training of both Civil Service and Foreign Service employees. Salaries for Civil Service employees undergoing this type of training are budgeted against positions and funds for the Agency elements to which they are assigned.

The increase of $52,426 is requested to provide $5,000 for full-year costs of Federal pay raises effective for part of 1990 and $35,426 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $5,000 for tuition and travel rate increases; and $7,000 for the annualization of FICA and medicare rate increase and other built-in salary requirements.

WORLD-WIDE MISSION COSTS

c. Junior Officer Training:

Summary of Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
1. Trainee Compensation and Benefits....................	$2,876,420	$3,060,302	$3,198,087	$137,785
2. Travel and Per Diem...........	449,900	430,303	450,901	20,600
3. Overseas Allowances...........	489,298	492,600	492,600	--
4. Training Fees and Materials...	22,869	25,184	25,184	--
Total, Junior Officer Training..................	3,838,487	4,008,389	4,166,774	158,385

This program provides the Agency with well qualified men and women who fill officer requirements resulting from turnover in the Foreign Service. The training period for Junior Officers averages 23 to 28 months, including language training. As a result of the recent budget reductions, we have limited Junior Officer appointments in 1989, 1990 and 1991 to 35 each year.

The net increase of $158,385 in 1991 is requested to provide $26,000 for full-year costs of the Federal pay raises effective for part of 1990 and $77,785 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $34,000 for full-year costs of FICA, Medicare, and other benefit increases; and $20,600 for built-in travel and per diem for Junior Officer assignments.

d. Training Aids (1989 Actual, $20,302; 1990 Estimate, $16,277; 1991 Estimate, $16,277; No Change).

These funds provide for the purchase, maintenance, and replacement of training films and slides, books, maps, exhibits, and other training materials and equipment.

2. Foreign Service Pipeline (1989 Actual, $4,853,663; 1990 Estimate, $5,089,186; 1991 Estimate, $5,574,494; Increase, $485,308).

These funds cover compensation and benefits for 70 pipeline positions, computed on the basis of work-years resulting from (1) overlap in Foreign Service assignments; (2) administrative and special assignments and periods between formal assignments; and (3) medical emergencies and care.

The increase of $485,308 in 1991 is requested to provide $46,000 for full-year costs of Federal pay raises effective for part of 1990 and $382,848 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; and $57,000 for the annualization of FICA and medicare rate increases and other built-in salary requirements.

3. Home Leave, Transfer and Related Costs (1989 Actual, $7,746,357; 1990 Estimate, $7,890,099; 1991 Estimate, $8,435,325; Increase, $545,226).

This activity provides for: (a) appointment travel for new employees in the Foreign Service; (b) home leave travel for eligible Foreign Service employees; (c) direct transfer travel for changes of duty station; and (d) storage of effects, separate travel of dependents, and other related costs.

The increase of $545,226 is requested to provide $473,406 for travel and shipping rate increases, consisting of $213,000 for increases effective for part of 1990 and $260,406 for increases anticipated in 1991; and $71,820 for seven appointment trips related to the Junior Officer Training Program.

WORLD-WIDE MISSION COSTS

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	No. of Trips	Amount	No. of Trips	Amount	No. of Trips	Amount	No. of Trips	Amount
Type of Trip:								
Appointment Trips:								
To Washington.................	33	$ 62,535	36	$ 69,660	36	$ 72,291	--	$ 2,631
To Posts......................	34	323,510	41	400,980	48	502,460	7	101,480
Sub-total.................	67	386,045	77	470,640	84	574,751	7	104,111
Separation Trips..................	37	375,180	38	396,530	38	422,042	--	25,512
Home Leave Trips:								
Round Trips...................	126	830,970	126	846,090	126	895,668	--	49,578
Combined with Transfer........	154	2,654,374	154	2,698,080	154	2,886,032	--	187,952
Sub-total.................	280	3,485,344	280	3,544,170	280	3,781,700	--	237,530
Direct Transfers:								
U.S. to Post..................	87	1,228,874	84	1,220,100	84	1,298,280	--	78,180
Post to U.S...................	44	392,040	44	403,260	44	429,151	--	25,891
Post to Post..................	79	942,864	74	907,610	74	965,037	--	57,427
Sub-total.................	210	2,563,778	202	2,530,970	202	2,692,468	--	161,498
Total, Trips...........	594	6,810,347	597	6,942,310	604	7,470,961	7	528,651
Related Costs:								
Storage of Household Effects......	--	471,165	--	481,165	--	481,625	--	460
Separate Travel of Dependents.....	--	283,260	--	275,699	--	289,995	--	14,296
Separate Shipment of Effects......	--	21,680	--	20,325	--	21,693	--	1,368
Home Service Allowances...........	--	154,545	--	163,900	--	163,900	--	--
Shipment of Replacement Vehicles..	--	5,360	--	6,700	--	7,151	--	451
Total, Related Costs..........	--	936,010	--	947,789	--	964,364	--	16,575
Total, Home Leave, Transfer and Related Costs..........	594	7,746,357	597	7,890,099	604	8,435,325	7	545,226

WORLD-WIDE MISSION COSTS

4. Foreign Service Medical Expenses (1989 Actual, $1,185,360; 1990 Estimate, $1,249,817; 1991 Estimate, $1,370,837; Increase, $121,020).

The 1990 and 1991 estimates are based on 1989 average costs per overseas American position for hospitalization, medical evacuation travel, immunization, and examination of overseas employees and their dependents. The increase of $121,020 is requested to provide $54,000 for full-year costs of international travel and medical rate increases and $67,020 for international travel and medical rate increases anticipated in 1991.

5. Emergency Travel and Claims (1989 Actual, $208,267; 1990 Estimate, $209,265; 1991 Estimate, $223,342; Increase, $14,077).

This activity provides for: (a) emergency travel costs and subsistence allowances of Agency personnel and their dependents evacuated from troubled areas overseas; (b) emergency visitation travel costs of Agency overseas personnel in instances of serious illness or death of a member of the immediate family; and (c) claims for personal property losses by Agency personnel incident to their service. The increase of $14,077 is requested to provide $6,000 for full-year costs of international travel rate increases in 1990 and $8,077 for rate increases anticipated in 1991.

6. Representation Allowance (1989 Actual, $1,052,701; 1990 Estimate, $1,152,500; 1991 Estimate, $1,152,500; No Change).

Representation expenses cover costs incurred by USIA officers overseas in establishing and maintaining effective relationships with officials, journalists, academics and other influential leaders in the host country. Representational events usually occur in conjunction with screenings, seminars, discussion programs, lectures, and other substantive program activities. As such, they provide opportunities to effectively broaden and deepen understanding of American policies, as well as building invaluable professional relationships. Reimbursement for this type of expense is made on the basis of a detailed voucher submitted by the officer after a representation event has occurred. Representation for exhibitions ($39,500) and cultural presentations ($18,000) is included in the appropriate sections of this document.

The FY 1991 request of $1,152,500 represents no change from the 1990 level. Inflationary increases approved in 1989 and 1990 have covered Agency requirements.

WORLD-WIDE MISSION COSTS

7. Overseas Security Expenses (1989 Actual, $323,649; 1990 Estimate, $335,000; 1991 Estimate, $291,892; Decrease, $43,108).

USIA Overseas Security Expenses meet routine security needs for the Agency's overseas personnel and for some minimal or emergency security requirements for the Agency's separate facilities which are not co-located in the Department of State buildings. In FY 1989 $75,000 was used to cover travel costs of security officers to conduct inspections at more than 30 USIS installations, and $248,649 to acquire replacement equipment and other security services and enhancements at more than 25 USIS posts, binational centers, and Fulbright Commission offices worldwide not covered under the Department's Supplemental. Similar costs are expected in FY 1990 as requirements are identified. A total of $291,892 is requested in 1991, a reduction of $43,108.

In addition to these direct security costs, through arrangements with the Department of State, the Agency depends on, and utilizes funds appropriated to the Department for major projects involving our separate facilities. The State Department addresses Agency security requirements where USIA is located in Department of State buildings. In FY 1987 $18 million in no-year supplemental funds were given to the Agency for USIA security needs including access control systems, perimeter improvements to deny vehicle access, relocations of most-threatened facilities which are too vulnerable to be adequately secured, contract security engineering assistance, and Binational Center security needs. An additional $11 million in no-year funds is to be provided to USIA in FY 1990. In FY 1989 $1.18 million worth of communications equipment, engineering services, vehicle armoring and metal detection devices. In FY 1990 USIA will expend $2.3 million in supplemental funds for radios, engineering services, vehicle armoring and metal detecting devices. We anticipate receipt of additional Department security funds in FY 1991. The exact amount has yet to be determined.

8. Board of Examiner Costs (1989 Actual, $272,964; 1990 Estimate, $307,020; 1991 Estimate, $307,020; No Change).

This activity provides for reimbursement to the Department of State for recruitment, examination and security investigation costs incurred in connection with the hiring of Junior Foreign Service Officer career candidates for USIA. The reimbursement covers a pro-rata share of the Department's Board of Examiners (BEX) costs incurred for recruitment and examination of potential Foreign Service Officers, and actual background investigations conducted by the Bureau of Diplomatic Security for potential BEX Junior Officer career candidates for USIA. No change is proposed from the 1990 amount.

9. New York Air Pouch (1989 Actual, $1,712,763; 1990 Estimate, $1,722,000; 1991 Estimate $1,868,000; Increase, $146,000.)

This activity covers the costs of shipping program equipment, supplies and materials purchased in the United States for our overseas posts from their direct support allocations, including books, magazines and other printed materials, audio visual equipment and supplies, VCR tapes and certain paper shows and small exhibits.

The increase of $146,000 in 1991 is requested to offset inflationary increases.

VOICE OF AMERICA

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements	$170,483,458	$169,586,351	$174,775,200	$5,188,849

General Statement

Overview

VOA, the global radio service of the United States, is mandated by law to broadcast to the world accurate, objective and comprehensive news; a balanced portrayal of American life, thought, and institutions; an effective presentation of U.S. policies; and responsible discussion of such policies. At the end of FY 1989, VOA was broadcasting up to 155 hours daily in 43 languages, including English. VOA seeks to inform listeners throughout the world following the principle that a well-informed, international citizenry is ultimately beneficial to U.S. policy objectives and to the cause of peace.

VOA has beamed direct shortwave and medium wave broadcasts for the past 40 years to the USSR, Poland, Hungary, Czechoslovakia, Romania, Bulgaria, Yugoslavia, Albania, and the Baltic republics, and provided a feed service to East Germany via RIAS Berlin. We broadcast 385 hours weekly to the region in 19 languages (including English) to reach a regular listening audience of more than 50 million. There is abundant evidence that these broadcasts have contributed to the epochal changes in Eastern Europe these past few months. Now we are on the threshhold of being able to place materials directly on East European radio stations, and in fact, have already done so in Poland, Hungary and Czechoslovakia.

VOA broadcasters to China were highly visible during the student protests in the spring of 1989. We provided programs to tens of millions during the pro-democracy demonstrations -- from April through June, 1989, and during the ensuing crackdown. Less visible, but equally important were our other programs worldwide.

VOICE OF AMERICA

As of September, 1989, VOA broadcast a total of 1,048 3/4 hours weekly in 43 languages to an estimated regular listening audience of 127 million radio listeners. In addition, VOA reaches millions more using USIA television satellite subchannels for relay to local radio stations around the world.

Actions Taken in FY 1990 to Meet Anticipated Final Appropriation

Overall limitations imposed on the USIA budget in 1990 forced reductions from the current services funding level of the Voice of America totaling $9,112,000 and 145 positions. These reductions include the following:

1. Reduction of $1,934,000 in overall general operating expenses, including talent, travel, renovations, advertising, equipment, supplies, training, elimination of VOICE magazine, etc.

2. Closing of the Quesada Relay Station and Correspondent Bureaus in Mexico City and Houston, reductions in staffing at overseas News Bureaus, and elimination of the costs of the German feed service through a reimbursable agreement, for a total savings of $1,413,000 and 28 positions.

3. Elimination of five management support positions, for a savings of $310,000.

4. Elimination of 37 programming and engineering support positions, for a savings of $1,665,000.

5. Realignment of the program transmission schedule for Spanish; reduction of the weekly broadcast schedules in Arabic (two hours daily), Spanish and Russian (one hour daily each), and English to Latin America; and the cancellation of the shortwave African feed to USIS posts in Africa, for a savings of $746,000 and four positions.

These reductions total $6,068,000 and 74 positions. Additional cuts are still under consideration that will produce the remaining savings of $3,044,000 in 1990.

VOICE OF AMERICA

FY 1991 Budget Summary

In FY-1991, a total of $174,775,200 is requested for the Voice of America, a net increase of $5,188,849 over the 1990 level. The increase will provide $937,604 for wage scale increases; $2,565,853 for full-year and new inflationary cost increases for commercial power, diesel fuel, and other services, supplies and materials; $900,204 for full year costs of Federal pay raises effective for part of 1990 and $2,886,017 for Federal pay raises scheduled for 1991; $439,651 for one additional day's pay in 1991; and $765,693 for FICA, medicare and health benefit increases and foreign national within-grade increases. The increase will also provide $460,000 for the initial start-up costs of the new Morocco Relay Station which is scheduled to become operational in 1992.

These increases are offset, in large part, by full-year savings of $3,309,644 resulting from program re-allocations of up to six language services that will be initiated in FY 1990 in order to produce maximum savings for meeting the 1991 required , reduction. Additional offsets of $416,529 result from full-year savings of other programmatic cuts implemented in 1990, and non-recurring multi-year lease payments of $40,000. (As noted above, the Agency is developing a proposal to transfer funds from the Radio Construction account to obviate the need to eliminate language services.)

VOICE OF AMERICA

Program Summary

	FY 1989	FY 1990	FY 1991
DIRECT VOA BROADCAST COVERAGE:			
Number of Broadcast Services..............	43	37	37
Broadcast Hours Weekly			
Regional Language Broadcasts...........	761:15	670:30	670:30
Worldwide English......................	179:00	179:00	179:00
English to Africa......................	35:00	35:00	35:00
VOA Europe.............................	73:30	73:30	73:30
Total, Excluding Radio Marti Program.	1,048:45	958:00	958:00
Radio Marti Program....................	168:00	168:00	168:00
Total VOA Broadcast Hours............	1,216:45	1,126:00	1,126:00
PROGRAM ALIGNMENT AND TECHNICAL ELEMENTS:			
News Bureaus			
Domestic...........................	6	5	5
Overseas...........................	20	19	19
Relay Stations			
Domestic...........................	3	3	3
Overseas (VOA Operated)...........	12	11	11
Overseas (Foreign Operated).......	3	3	3
Overseas Monitors......................	6	7	6
Overseas Site Staffs...................	4	4	3

Currently VOA programs in up to 20 languages are receiving unprecedented exposure on foreign radio stations. Some transmit our programs live, others on a tape/delay basis; some broadcast VOA daily, others carry our programs once a week. Some are national broadcast services, others are small, independent FM radio stations. They are located in countries that are both information saturated and information deprived. They include:

VOICE OF AMERICA

- Several thousand stations in the Spanish-speaking countries of Latin America;
- FM cable affiliates in 51 West European cities;
- Major networks in Brazil, Korea, Spain, Portugal and Thailand;
- Radio stations in Hong Kong, Singapore, and the Philippines;
- Official broadcast services in Israel, Greece, Turkey and several Arab countries; and
- Africa's most powerful commercial station and 40 of the continent's national broadcasting services.

Program Accomplishments

VOA broadcasts to Eastern Europe, the Soviet Union and China have had a profound impact on audiences in those regions this past year. Information propels change, but is also essential as pro-democracy movements are crushed.

VOA expanded its Chinese language broadcasts from nine to 13 hours daily last June after the Tiananmen Square massacre. China continues to jam VOA broadcasts, despite the recent lifting of martial law. In 1989, VOA gave thorough coverage to freedom's march in East Germany, Czechoslovakia, Poland, Hungary, Bulgaria and Romania.

VOA opened a Moscow news bureau to provide more thorough coverage of the Soviet Union, our first permanent on-scene presence in the USSR. As the year ended, we expanded our coverage of Eastern Europe by setting up a Warsaw office and placing materials daily on Poland's state radio.

VOA also greatly expanded placement of program materials on local radio stations and networks in Latin America, the Caribbean, Africa and the Arab world. This was done at very modest cost, using spare space on existing USIA television satellites. The transmission via TV subchannels of news and news-related features to USIS posts has grown this past year to more than 400 hours weekly.

Using satellite technology, VOA's Brazilian Branch and Brazil's largest independent network, Radio Bandeirantes, introduced binational partnership broadcasting to the Western hemisphere. VOA's placement of its broadcasts on the network increased from one to six days weekly. Last June, VOA's Spanish Branch began offering a new morning broadcast via satellite targeted to different regions of Central and South America (depending on the hour) and picked up live by stations in Colombia, Bolivia, Costa Rica, the Dominican Republic, and since January 1, 1990, Panama.

VOICE OF AMERICA

Glasnost, the cessation of jamming in the USSR and Eastern Europe, and the beginnings of change in southern Africa continued to provide VOA with unprecedented opportunities for programming. We greatly expanded telephone contact with audiences in the Soviet Union, Eastern Europe and the Baltic states. During the past year, VOA conducted radio bridges, correspondent dialogues, or regular listener call-in programs on Worldwide English and 14 other languages: Russian, Mandarin, Ukrainian, Polish, Hungarian, Romanian, Lithuanian, Arabic, Farsi, Spanish, Portuguese, French, Hindi, and Urdu.

VOA also provided extensive coverage of events and personalities. Correspondent Jolyon Naegele became the first Western journalist to interview Czechoslovakia's Alexander Dubcek since 1968. Several months later the reform movement there took root. Soviet Nobel laureate Andrei Sakharov granted VOA the only formal interview during his first visit to the United States, a few months before his sudden death.

A year ago, Worldwide English launched VOA Pacific, a program of features and music designed to be placed on area radio stations by appealing to younger audiences in East Asia and Oceania. Initially, there were 14 affiliates for a one-hour-a-week program. Today, there are more than 50 affiliates in the Philippines, Thailand, Australia, Singapore, and New Zealand, and VOA Pacific is on the air five hours weekly.

Finally, VOA mounted a number of special programs and program series in 1989. These included a two-week round of call-ins, documentaries and special scripts last December on the worldwide problem of narcotics trafficking. We began broadcasting new English teaching programs developed for radio that r[illegible] may be heard in Arabic, Bangla, and Khmer, with lessons to follow in Polish and several other languages.

As we look to the 1990s, the new leaders and citizens of Eastern Europe will still be searching for solutions, building institutions to govern and to restructure their economies. They thirst for practical information about how democracies are organized and the rule of law. The building blocks of a democratic, pluralistic government are needed as they plan their futures. And, as recent events in East Germany and Romania have shown, the future is by no means certain. Yet VOA, among all the international broadcasters, is uniquely suited to provide information about the fundamentals of democracy and, indeed, chartered by law to do so.

VOA broadcasts more than 1,000 hours weekly of programming, and more than half of this schedule is for broadcasts to the developing world: Africa, Asia, the Middle East, Latin America and the Caribbean. We are the only U.S. funded international broadcaster with this mandate. Given rapid changes in every one of these regions, the need for reaching them via a publicly-funded mass medium is clear. The situations in Burma, Haiti, the Philippines, Panama, Ethiopia and southern Africa offer excellent examples of the importance of VOA's worldwide programming and signal strength.

VOICE OF AMERICA

On the technical side, VOA has charted a new course to upgrade its radio station network. Fiscal and programmatic realities prompted VOA to redirect its ongoing modernization effort and focus attention on strengthening its signal delivery through aggressive refurbishment of existing facilities. Organizational changes in the engineering staff were made to reflect this redirection and to improve responsiveness. The dynamic new program is moving full speed ahead with significant progress already made.

Priorities in VOA's new program were set to maintain construction progress on the Morocco, Thailand and Belize stations while dropping plans for new stations in Botswana, Sri Lanka, and Grenada. The Quesada, Costa Rica station was closed in favor of distribution through local radio networks. The Antigua station is due to close as soon as arrangements can be made to obtain the services of the Radio Antilles station whose greater power will provide essential coverage of the Eastern Caribbean. Feeds were provided to allow the distribution of broadcasts previously mentioned.

To provide equipment for these projects, the Office of Engineering and Technical Operations completed design contracts for all significant installations, and a major contract for transmitters and ancillary equipment was awarded to Marconi Electronics Inc./Cincinnati Electronics Inc. A contract for the antennas for the new Morocco and Thailand stations is nearing award. Efforts are continuing to award the remaining system-wide procurements in FY 1990, including award contracts for badly needed satellite terminals which will improve the responsiveness and quality of the overall network at reduced cost. As of April 1989, the last of four 500 kW transmitters was placed in operation at Wertachtal, West Germany under an agreement concluded three years earlier by VOA with the Deutsche Bundespost. Operational testing continues at VOA's Delano Relay Station in California on a prototype antenna, the largest and most advanced in the free world. This antenna was successfully used to deliver a strong signal to Panama during the recent crisis. As a result of changed priorities, attention has been given to improving the lagging Maintenance and Repair program, and improvements in the VOA's logistics management capability are in progress. A contract was awarded to install four 2.5 megawatt engine generators in the Liberia power plant building, and refurbishment of the Bethany Relay Station is also underway.

At VOA headquarters in Washington, the Master Control production facility and nine studios have been renovated, with 10 more studios scheduled for completion by spring 1990. Installation of the world's largest multi-lingual word processing system, SNAP, has been completed in 31 of VOA's 43 language services. Construction of pilot equipment in VOA's relay station Network Control Center was completed, and the facility is now operational around-the-clock. Installation of the global Satellite Interconnect System (SIS) has been completed in Washington, Greenville, Delano, Botswana and Belize.

During FY 1989, VOA's Offices of Administration and Personnel continued to look at ways of providing improved support for the primary programming and technical missions. Remaining VOA engineering personnel were relocated from the Patrick Henry Building to the VOA headquarters complex and neighboring Switzer Building.

VOICE OF AMERICA

VOA/A completed work on the heating, ventilating and air conditioning of new studio facilities and expects to finish modernization of power redistribution in the headquarters building by the end of 1989. VOA's productivity improvement program was streamlined and overhauled. Studies were conducted in audience mail handling, telephone cost and usage, and the financing of program field placement activities.

The Office of Personnel (VOA/P) provided the full range of services to meet VOA's unique multi-cultural journalistic recruiting, staffing, disciplinary, and labor management relations challenges.

VOA/P added to its comprehensive management courses series of Manager's Roundtables on labor and employee relations, expanded U.S. orientation and Contemporary American English courses for employees new to the U.S., and provided vital technical training at VOA's relay stations worldwide for new transmitters, satellite interconnect and network control systems, and communications equipment now being installed in VOA's relay station network. Three briefings on AIDS in the workplace were provided and open to all VOA employees.

The Personnel Operations Division (VOA/PO) filled nearly all of the vacancies within the Office of Programs. Recruitment efforts included a successful recruiting trip to Thailand to identify Burmese candidates, and a nationwide campaign to hire critically needed Chinese broadcasters in response to the China crisis. Efforts continued to improve conditions for VOA's non-U.S. citizen employees in the areas of visas, foreign travel, benefits, and residency status for tuition purposes. VOA/PO effectively utilized the automated personnel computer system to generate the first automated staffing pattern and reports to track and control employment levels. Steps necessary to implement Combo (a position combined of two or more work areas performed by one person) operations were completed. A limited number of Combo positions were established and filled through the competitive process.

VOA's International Training Division initiated cost sharing programs for foreign journalists with the Universities of South Carolina and Southern Mississippi, and a Spanish language workshop with San Diego State University. Another agreement was negotiated with the Department of State to provide $150,000 for training of overseas broadcasters in the global problem of narcotics and trafficking.

The Office of External Affairs published six issues of VOICE magazine; produced semi-annual program schedules in most of VOA's 43 languages; designed pamphlets, posters, and overseas promotional campaigns; and prepared VOA exhibits.

VOICE OF AMERICA

Summary of Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
I. **POSITIONS:**					
Domestic	1,970	1,848	1,848	--	
Overseas American	119	110	110	--	
Foreign National	696	682	682	--	
Total, Positions	2,785	2,640	2,640	--	12-10
II. **FUNDS:**					
A. Domestic Employee Compensation and Benefits	$93,728,678	$96,202,121	$97,742,129	$1,540,008	12-11
B. Overseas American Employee Compensation and Benefits	7,668,515	8,363,491	8,788,087	424,596	12-12
C. Foreign National Employee Compensation and Benefits	12,295,496	13,831,455	15,006,461	1,175,006	12-13
D. Indirect and Worldwide Programs:					
1. Program Operations	13,937,430	13,247,768	12,862,085	-385,683	12-14
2. Technical Operations	36,985,664	33,690,854	36,051,895	2,361,041	12-24
Total, Indirect and Worldwide Programs	50,923,094	46,938,622	48,913,980	1,975,358	
E. Program Direction and Administration	4,237,521	2,812,394	2,855,415	43,021	12-31
F. Home Leave and Transfer Costs	1,820,156	1,667,268	1,698,128	30,860	12-33
Total, Gross Funds	170,673,460	169,815,351	175,004,200	5,188,849	
G. Deduct Reimbursements	-190,002	-229,000	-229,000	--	
Total, Direct Obligations	170,483,458	169,586,351	174,775,200	5,188,849	

VOICE OF AMERICA

Summary of Positions a/

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
I. POSITIONS				
Program Operations				
Domestic	1,471	1,361	1,361	--
Overseas American	28	24	24	--
Foreign National	29	28	28	--
Sub-Total	1,528	1,413	1,413	--
Technical Operations				
Domestic	352	342	342	--
Overseas American	91	86	86	--
Foreign National	667	654	654	--
Sub-Total	1,110	1,082	1,082	--
Program Direction and Administration				
Domestic	147	145	145	--
Total Positions				
Domestic	1,970	1,848	1,848	--
Overseas American	119	110	110	--
Foreign National	696	682	682	--
Total, All Positions	2,785	2,640	2,640	--

---

a/ A detailed breakdown of these positions appears at the end of Sections D1 and D2, "Indirect and Worldwide Programs".

VOICE OF AMERICA

Explanation of Requirements

II. **FUNDS**

A. Domestic Employee Compensation and Benefits (1989 Actual, $93,728,678; 1990 Estimate, $96,202,121; and 1991 Estimate, $97,742,129; Increase $1,540,008).

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
Voice of America								
Program Operations..........	1,471	$69,464,715	1,361	$70,692,673	1,361	$70,973,348	--	$ 280,675
Technical Operations........	352	17,519,194	342	18,248,098	342	19,173,363	--	925,265
Program Direction & Administration............	147	6,744,769	145	7,261,350	145	7,595,418	--	334,068
Total	1,970	93,728,678	1,848	96,202,121	1,848	97,742,129	--	1,540,008

The net increase of $1,540,008 is requested to provide $835,974 for full year costs of Federal pay raises effective for part of 1990, $2,696,909 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase, $502,736 for FICA, medicare, and health benefit increases, and $372,389 for one additional day's pay in 1991. These increases are offset in part by full year savings of $2,868,000 resulting from the elimination of 122 positions in 1990.

VOICE OF AMERICA

Explanation of Requirements

II. FUNDS

B. Overseas American Employee Compensation and Benefits (1989 Actual, $7,668,515; 1990 Estimate, $8,363,491; 1991 Estimate, $8,788,087; Increase, $424,596).

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
Voice of America								
Program Operations..........	28	$2,008,720	24	$2,251,848	24	$2,361,430	--	$109,582
Technical Operations........	91	5,659,795	86	6,111,643	86	6,426,657	--	315,014
Total	119	7,668,515	110	8,363,491	110	8,788,087	--	424,596

The net increase of $424,596 is requested to provide $64,230 for full year costs of Federal pay raises effective for part of 1990, $189,108 for the 3 1/2 percent Federal pay raise scheduled for 1991, $54,618 for FICA, medicare, and health benefit increases, $28,722 for one additional day's pay in 1991, and $100,911 for R&R travel and Foreign Service allowance inflationary increases. These increases are offset in part by full year savings of $12,993 resulting from position reductions implemented in 1990.

VOICE OF AMERICA

Explanation of Requirements

II. FUNDS

C. Foreign National Employee Compensation and Benefits (1989 Actual, $12,295,496; 1990 Estimate, $13,831,455; 1990 Estimate, $15,006,461; Increase, $1,175,006).

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
Program Operations...............	29	$ 925,362	28	$ 987,528	28	$ 1,072,403	--	$ 84,875
Technical Operations.............	667	11,370,134	654	12,843,927	654	13,934,058	--	1,090,131
Total	696	12,295,496	682	13,831,455	682	15,006,461	--	1,175,006

The net increase of $1,175,006 in 1991 is requested to provide $937,604 for wage scale increases, consisting of $172,414 for the full year costs of increases effective for part of 1990 and $765,190 for increases anticipated in 1991; $208,339 for within-grade salary increases in 1991; and $38,540 for an additional day's pay in 1991; offset in part by full-year savings of $9,477 resulting from the closing of the Quesada relay station in 1990.

VOICE OF AMERICA

Explanation of Requirements

D. Indirect and Worldwide Programs

1. VOA Program Operations

(a) Domestic Program Expenses (1989 Actual, $10,622,726; 1990 Estimate, $10,066,607; 1991 Estimate, $9,541,557; Decrease, $-525,050).

This estimate covers the cost of specialized talent, program and alien and dependent travel and transportation, provision of news wire services, satellite circuits and other program expenses.

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Talent......................	$ 3,070,604	$ 2,850,264	$2,517,793	$-332,471
Travel......................	1,434,501	1,826,405	1,460,417	-365,988
News Wire Services..........	1,544,599	1,588,144	1,624,051	35,907
Satellite Circuits..........	60,387	53,262	54,295	1,033
Other Program Expenses......	4,512,635	3,748,532	3,885,001	136,469
Total	10,622,726	10,066,607	9,541,557	-525,050

The net decrease of $525,050 results from 1991 program reductions of $793,955 in talent ($373,955) and in travel ($420,000); offset in part by full-year and new inflationary cost increases of $181,795 and $87,110 for other program expenses.

VOICE OF AMERICA

Explanation of Requirements (continued)

(b) Overseas Program Expenses (1989 Actual, $3,314,704; 1990 Estimate, $3,181,161; 1991 Estimate, $3,320,528; Increase, $139,367).

This estimate covers the operating expenses of overseas program operations. This includes the cost of specialized talent, travel, communications, and utilities; the lease of office and residential space; and the purchase of furniture, vehicles, specialized radio supplies and equipment. The distribution by location is as follows:

		1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
VOA-Europe Program (Munich)..........		$ 768,112	$ 771,013	$ 798,000	$ 26,987
News Bureaus:					
West Europe:	Geneva.........	92,892	84,924	88,152	3,228
	London.........	336,116	193,925	210,408	16,483
	Paris..........	166,560	169,807	178,298	8,491
	Rome...........	4,724	--	--	--
East Europe:	Bonn...........	86,713	93,359	96,629	3,270
	Moscow.........	185,061	265,630	289,5[illegible]	23,907
	Vienna.........	142,771	131,878	136[illegible]	4,485
Near East:	Amman..........	108,949	112,654	1[illegible]	3,377
	Cairo..........	176,684	186,405	2[illegible]	18,831
	Jerusalem......	98,731	103,972	110,732	6,760
Africa:	Abidjan........	160,620	166,265	177,903	11,638
	Johannesburg...	73,074	88,672	93,994	5,322
	Nairobi........	96,862	85,423	96,528	11,105

VOICE OF AMERICA

Explanation of Requirements (continued)

		1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
South Asia:	Islamabad......	$ 69,985	$ 75,780	$ 82,148	$ 6,368
	New Delhi......	130,520	131,527	139,946	8,419
East Asia & Pacific:	Bangkok........	78,067	83,473	87,230	3,757
	Beijing........	161,768	110,273	117,991	7,718
	Tokyo..........	178,413	159,282	165,492	6,210
American Republics:	Costa Rica.....	36,469	37,050	37,769	719
	Mexico.........	83,309	--	--	--
	Rio de Janeiro.	78,304	129,849	92,141	-37,708
	Total........	3,314,704	3,181,161	3,320,528	139,367

The net increase of $139,367 in 1991 is requested to provide $179,367 for price increases, partially offset by non-recurring costs of $40,000 for residential lease payments in 1990 in Rio de Janeiro.

VOICE OF AMERICA

Summary of Positions for Program Operations

	1989 Actual				1990 Estimate				1991 Estimate				Increase or Decrease (-)			
	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total
Domestic Programs																
VOA-Europe	10	--	--	10	10	--	--	10	10	--	--	10	--	--	--	--
Broadcast Operations..............	60	--	--	60	59	--	--	59	59	--	--	59	--	--	--	--
Office of Programs................	17	--	--	17	17	--	--	17	17	--	--	17	--	--	--	--
American Republics Division.......	88	--	--	88	88	--	--	88	88	--	--	88	--	--	--	--
European Division.................	222	--	--	222	200	--	--	200	200	--	--	200	--	--	--	--
East Asia & Pacific Division......	154	--	--	154	140	--	--	140	140	--	--	140	--	--	--	--
Near East Division................	174	--	--	174	168	--	--	168	168	--	--	168	--	--	--	--
African Division..................	114	--	--	114	113	--	--	113	113	--	--	113	--	--	--	--
USSR Division.....................	166	--	--	166	163	--	--	163	163	--	--	163	--	--	--	--
Worldwide English Division	57	--	--	57	57	--	--	57	57	--	--	57	--	--	--	--
Current Affairs Division	48	--	--	48	46	--	--	46	46	--	--	46	--	--	--	--
News Division	140	--	--	140	138	--	--	138	138	--	--	138	--	--	--	--
New York News Bureau	13	--	--	13	10	--	--	10	10	--	--	10	--	--	--	--
Miami News Bureau	2	--	--	2	2	--	--	2	2	--	--	2	--	--	--	--
Los Angeles News Bureau	5	--	--	5	4	--	--	4	4	--	--	4	--	--	--	--
Chicago News Bureau	2	--	--	2	2	--	--	2	2	--	--	2	--	--	--	--
Boston News Bureau	1	--	--	1	1	--	--	1	1	--	--	1	--	--	--	--
Houston News Bureau	1	--	--	1	--	--	--	--	--	--	--	--	--	--	--	--
Washington Plant	197	--	--	197	195	--	--	195	195	--	--	195	--	--	--	--
Unspecified Broadcast Reductions..	--	--	--	--	-52	--	--	-52	-52	--	--	-52				
	1,471	--	--	1,471	1,361	--	--	1,361	1,361	--	--	1,361	--	--	--	--
Overseas Programs																
VOA-Europe (Munich)	--	4	3	7	--	4	3	7	--	4	3	7	--	--	--	--
News Bureaus:																
West Europe: Geneva	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
London	--	3	4	7	--	2	4	6	--	2	4	6	--	--	--	--
Paris	--	1	2	3	--	1	2	3	--	1	2	3	--	--	--	--
Rome	--	1	--	1	--	--	--	--	--	--	--	--	--	--	--	--

VOICE OF AMERICA

Summary of Positions for Program Operations

		1989 Actual				1990 Estimate				1991 Estimate				Increase or Decrease (-)			
		Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total
Overseas Programs																	
East Europe:	Bonn	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
	Vienna.............	--	2	2	4	--	1	2	3	--	1	2	3	--	--	--	--
	Moscow	--	1	--	1	--	1	--	1	--	1	--	1	--	--	--	--
Near East:	Amman	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
	Cairo..............	--	1	3	4	--	1	3	4	--	1	3	4	--	--	--	--
	Jerusalem..........	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
Africa:	Abidjan	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
	Johannesburg	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
	Nairobi	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
South Asia:	Islamabad	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
	New Delhi	-	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
East Asia and Pacific:																	
	Bangkok	--	1	2	3	--	1	2	3	--	1	2	3	--	--	--	--
	Beijing	--	1	--	1	--	1	--	1	--	1	--	1	--	--	--	--
	Tokyo	--	1	2	3	--	1	2	3	--	1	2	3	--	--	--	--
American Republics:																	
	Costa Rica	--	1	--	1	--	1	--	1	--	1	--	1	--	--	--	--
	Mexico............	--	1	1	2	--	--	--	--	--	--	--	--	--	--	--	--
	Rio De Janeiro....	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
Sub-total, Overseas...........		--	28	29	57	--	24	28	52	--	24	28	52	--	--	--	--
Total, Program Operations........		1,471	28	29	1,528	1,361	24	28	1,413	1,361	24	28	1,413	--	--	--	--

VOICE OF AMERICA

Recapitulation of Total Costs for VOA Program Operations by Office and Location a/

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Domestic:				
VOA - Europe	$ 1,191,230	$ 1,112,289	$ 1,147,705	$ 35,416
Broadcast Operations	4,755,975	4,647,628	4,800,067	152,439
Office of Programs	821,496	969,268	1,008,944	39,676
American Republics Division	4,129,166	4,200,708	4,379,470	178,762
European Division	10,708,742	10,487,485	10,631,445	143,960
East Asia and Pacific Division	7,262,696	8,477,816	8,171,972	-305,844
Near East and South Asia Division	8,281,094	8,289,837	8,651,203	361,366
African Division	5,367,235	5,522,498	5,761,071	238,573
USSR Division	7,894,072	8,048,556	8,399,259	350,703
Worldwide English Division	3,217,050	3,299,797	3,443,125	143,328
Current Affairs Division	2,213,052	2,209,952	2,306,435	96,483
News Division	10,076,793	10,243,257	10,637,677	394,420
New York News Bureau	754,432	660,091	688,817	28,726
Miami News Bureau	134,161	152,242	158,090	5,848
Los Angeles News Bureau	308,441	283,388	294,878	11,490
Chicago News Bureau	102,745	115,859	120,351	4,492
Boston News Bureau	102,723	111,713	116,042	4,329
Houston News Bureau	102,855	--	--	--
Operations Management Division	12,663,483	12,850,103	13,383,056	532,953
Unspecified Broadcast Reductions	--	-923,207	-3,584,702	-2,661,495
Sub-total, Domestic	80,087,441	80,759,280	80,514,905	-244,375

a/ Includes employee compensation and benefits and program expenses.

VOICE OF AMERICA

Recapitulation of Total Costs for VOA Program Operations by Office and Location a/

		1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Overseas:					
VOA-Europe (Munich)		$ 1,176,476	$ 1,250,655	$ 1,301,939	$ 51,284
News Bureaus:					
West Europe:	Geneva	184,820	215,584	224,660	9,076
	London	747,417	601,481	654,090	52,609
	Paris	348,628	399,025	427,396	28,371
	Rome	60,684	--	--	--
East Europe:	Bonn	249,774	267,623	278,676	11,053
	Moscow	218,956	402,706	435,551	32,845
	Vienna	303,642	309,449	320,652	11,203
Near East:	Amman	202,500	206,999	214,810	7,811
	Cairo	323,018	316,232	347,828	31,596
	Jerusalem	217,227	248,629	263,859	15,230
Africa:	Abidjan	275,476	271,862	288,222	16,360
	Johannesburg	163,758	190,878	202,466	11,588
	Nairobi	168,056	172,134	190,203	18,069
South Asia:	Islamabad	136,571	170,997	182,638	11,641
	New Delhi	176,585	215,198	228,021	12,823
East Asia and Pacific:	Bangkok	173,697	214,642	226,892	12,250
	Beijing	236,042	193,460	205,215	11,755
	Tokyo	423,029	396,242	413,686	17,444
American Republics:	Costa Rica	118,695	120,923	125,382	4,459
	Mexico	159,825	--	--	--
	Rio de Janeiro ..	183,910	255,818	222,175	-33,643
Sub-total, Overseas		6,248,786	6,420,537	6,754,361	333,824
Total, Program Operations		$6,336,227	$7,179,817	$7,269,266	$89,449

a/ Includes employee compensation and benefits and program expenses.

VOICE OF AMERICA

Weekly Program Schedule in Hours

	September 30, 1989 Originations	September 30, 1990 Originations	September 30, 1991 Originations	Change
East Europe & USSR				
Albanian...........	7:00	7:00	7:00	--
Armenian...........	8:45	8:45	8:45	--
Azerbaijani........	7:00	7:00	7:00	--
Bulgarian..........	10:30	10:30	10:30	--
Czech-Slovak.......	21:00	21:00	21:00	--
Estonian...........	8:45	7:00	7:00	--
Georgian...........	5:15	5:15	5:15	--
Hungarian..........	17:30	17:30	17:30	--
Latvian............	8:45	8:45	8:45	--
Lithuanian.........	8:45	8:45	8:45	--
Polish.............	42:00	28:00	28:00	--
Romanian...........	15:45	15:45	15:45	--
Russian............	105:00	98:00	98:00	--
Serbo-Croatian.....	8:45	8:45	8:45	--
Slovene............	3:30	3:30	3:30	--
Ukrainian..........	28:00	28:00	28:00	--
Uzbek..............	14:00	14:00	14:00	--
* Worldwide English..	(56:00)	(56:00)	(56:00)	(--)
Sub-total.........	320:15	297:30	297:30	--
West Europe				
**VOA-Europe (English)	73:30	73:30	73:30	--
Greek..............	3:30	3:30	3:30	--
Turkish............	7:00	7:00	7:00	--
Sub-total.......	84:00	84:00	84:00	--

* Area totals exclude Worldwide English broadcasts which are audible in the area. Total originations in English are listed on the final page of this summary.

** VOA Europe provides a 24-hour radio broadcast to its affiliates. Only that segment carried on VOA's medium wave Munich -- 10:30 hours -- is added to VOA's Direct Broadcast total.

VOICE OF AMERICA

Weekly Program Schedule in Hours

	September 30, 1989 Originations	September 30, 1990 Originations	September 30, 1991 Originations	Change
Africa				
Amharic............	7:00	7:00	7:00	--
French............	32:00	32:00	32:00	--
Hausa.............	6:00	6:00	6:00	--
Portuguese.........	10:30	10:30	10:30	--
Swahili............	5:00	5:00	5:00	--
* English-To-Africa..	(35:00)	(35:00)	(35:00)	(--)
* Worldwide English..	(35:00)	(35:00)	(35:00)	(--)
Sub-total.......	60:30	60:30	60:30	--
North Africa, Near East, and South Asia				
Arabic.............	52:30	52:30	52:30	--
Bengali............	14:00	14:00	14:00	--
Dari...............	14:00	14:00	14:00	--
Hindi..............	14:00	14:00	14:00	--
Pashto.............	14:00	14:00	14:00	--
Persian (Farsi)....	24:30	24:30	24:30	--
Urdu...............	14:00	14:00	14:00	--
* Worldwide English..	(91:00)	(91:00)	(91:00)	(--)
Sub-total.......	147:00	147:00	147:00	--

* Area totals exclude Worldwide English broadcasts which are audible in the area. Total originations are listed on the final page of this summary.

VOICE OF AMERICA

Weekly Program Schedule in Hours

	September 30, 1989 Originations	September 30, 1990 Originations	September 30, 1991 Originations	Change
East Asia and Pacific				
Burmese................	10:30	10:30	10:30	--
Cantonese..............	7:00	7:00	7:00	--
Indonesian.............	21:00	21:00	21:00	--
Khmer..................	10:30	10:30	10:30	--
Korean.................	10:30	10:30	10:30	--
Mandarin...............	84:00	84:00	84:00	--
Lao....................	7:00	7:00	7:00	--
Vietnamese.............	14:00	14:00	14:00	--
* Worldwide English......	(70:00)	(70:00)	(70:00)	(--)
Sub-total...........	164:30	164:30	164:30	--
American Republics				
Creole.................	7:00	7:00	7:00	--
Spanish................	44:30	44:30	44:30	--
Portuguese.............	7:00	7:00	7:00	--
* Worldwide English......	(35:30)	(35:30)	(35:30)	(--)
Sub-total...........	58:30	58:30	58:30	--
English				
Worldwide English......	179:00	179:00	179:00	--
English to Africa......	35:00	35:00	35:00	--
Sub-total...........	214:00	214:00	214:00	--
Unspecified Broadcast Reductions..............	--	-68:00 **	-68:00 **	--
Total, Broadcasts	1,048:45	958:00	958:00	--

Note: The 1990 schedule reflects changes as of April 1, 1990.

* Area totals exclude Worldwide English broadcasts which are audible in the area. Total originations are listed in the "English" section, this page.

** As this budget goes to print the Agency is developing a proposal to transfer funds from the Radio Construction account to obviate the need to eliminate language services.

VOICE OF AMERICA

Summary of Requirements a/

II. FUNDS

D. Indirect and Worldwide Programs

2. VOA Technical Operations (1989 Actual, $36,985,664; 1990 Estimate, $33,690,854; 1991 Estimate, $36,051,895; Increase, $2,361,041).

This estimate covers administering the design, construction and operation of an extensive international radio relay network.

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Office of the Director of Engineering and Technical Operations............	$ 8,594,560	$ 8,004,620	$ 8,159,524	$ 154,904
b. Operation of Facilities				
Bethany Relay Station	1,081,523	981,593	1,000,638	19,045
Delano Relay Station	882,716	876,964	893,979	17,015
Dixon Relay Station	48,194	54,145	55,197	1,052
Greenville Relay Station	4,023,159	4,102,710	4,182,305	79,595
Antigua Relay Station	238,140	258,647	270,687	12,040
Bangkok Relay Station	1,024,249	1,058,930	1,099,425	40,495
Belize Relay Station	612,087	587,029	616,535	29,505
Botswana Relay Station	175,902	183,676	200,228	16,552
Colombo Relay Station	303,656	255,111	277,169	22,058
Kavala Relay Station	3,409,324	3,168,554	3,568,094	399,540
Liberia Relay Station	3,097,122	3,390,307	4,015,233	624,926
Morocco Relay Station	--	--	460,000	460,000
Munich Relay Station	1,846,246	1,890,520	1,954,528	64,008
Philippines Relay Station	3,835,457	4,302,555	4,463,355	160,800
Quesada (Costa Rica) Relay Station ...	208,299	22,479	--	-22,479
Rhodes Relay Station	1,168,694	1,086,432	1,212,702	126,270
Tangier Relay Station	1,535,638	1,513,846	1,627,809	113,963
Woofferton Relay Station b/...........	4,289,000	3,783,801	3,851,265	67,464
Monitoring Offices	172,518	136,399	146,627	10,228
Sub-total	28,214,924	27,653,698	29,895,776	2,242,078

a/ Excludes employee compensation and benefits.

b/ The British Broadcast Corporation, under a USIA contract, operates Woofferton Relay Facilities in England.

VOICE OF AMERICA

Summary of Requirements a/

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
c. Site Construction Supervision				
Belize Site Staff	$ 53,739	$ 69,773	$ 73,900	$ 4,127
Morocco Site Staff	55,610	63,216	68,592	5,376
RF Subsystems	13,807	23,753	25,771	2,018
Thailand Site Staff	53,024	81,137	84,734	3,597
Sub-total	176,180	237,879	252,997	15,118
d. Unspecified Broadcast Reductions	--	-2,205,343	-2,256,402	-51,059
Total, Technical Operations	36,985,664	33,690,854	36,051,895	2,361,041

a/ Excludes employee compensation and benefits.

VOICE OF AMERICA

Explanation of Requirements

a. Office of the Director of Engineering and Technical Operations $ 154,904

The increase of $154,904 is requested to provide for the full year costs of 1990 inflationary increases ($69,706), and new inflationary increases in 1991 ($85,198).

b. Operation of Facilities 2,242,078

(1) Full-Year costs of 1990 Rate Increases.................. $827,150

Full year cost of 1990 rate increases includes increases in commercial power of $133,674; diesel fuel of $329,641; maintenance contracts of $159,353; rent of facilities of $1,430; BBC-Woofferton Contract of $30,359; and all other costs totalling $172,693.

(2) Anticipated Rate Increases in FY 1991.................... 977,407

Anticipated rate increases in FY 1991 include increases in commercial power of $163,381; diesel fuel of $369,381; maintenance contracts of $194,759; rent of facilities of $1,746; BBC-Woofferton contract of $37,105; and all other costs totalling $211,035.

(3) Start-up cost for new Morocco Relay Station in FY 1991.. 460,000

Start-up costs of $460,000 in FY 1991 is associated with training for new Morocco Relay Station.

(4) 1991 Programmatic Reductions............................. -22,479

The above increases are partially offset by programmatic reductions due to the closure of the Quesada Relay Station ($22,479).

VOICE OF AMERICA

c. Site Construction Supervision............................	$ 15,118
The increase of $15,118 is requested to provide for full-year and new inflationary cost increases.	
d. Unspecified Broadcast Reductions.........................	-51,059
Further 1991 programmatic reductions of $51,059 in transmission costs.	
Total Net Increase..	2,361,041

VOICE OF AMERICA

Summary of Positions for Technical Operations

	1989 Actual				1990 Estimate				1991 Estimate				Increase or Decrease (-)			
	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total
Engineering Directorates and Management	215	--	--	215	205	--	--	205	205	--	--	205	--	--	--	--
Operation of Facilities																
Bethany Relay Station	21	--	--	21	21	--	--	21	21	--	--	21	--	--	--	--
Delano Relay Station	24	--	--	24	24	--	--	24	24	--	--	24	--	--	--	--
Dixon Relay Station	2	--	--	2	2	--	--	2	2	--	--	2	--	--	--	--
Greenville Relay Station	90	--	--	90	90	--	--	90	90	--	--	90	--	--	--	--
Antigua Relay Station	--	2	9	11	--	2	9	11	--	2	9	11	--	--	--	--
Bangkok Relay Station	--	4	40	44	--	4	40	44	--	4	40	44	--	--	--	--
Belize Relay Station	--	8	13	21	--	8	13	21	--	8	13	21	--	--	--	--
Botswana Relay Station	--	5	8	13	--	5	8	13	--	5	8	13	--	--	--	--
Colombo Relay Station	--	2	4	6	--	2	4	6	--	2	4	6	--	--	--	--
Kavala Relay Station	--	12	115	127	--	12	115	127	--	12	115	127	--	--	--	--
Liberia Relay Station	--	14	97	111	--	14	97	111	--	14	97	111	--	--	--	--
Munich Relay Station	--	4	61	65	--	4	61	65	--	4	61	65	--	--	--	--
Philippines Relay Station	--	12	143	155	--	12	143	155	--	12	143	155	--	--	--	--
Quesada (Costa Rica) Relay Station	--	5	13	18	--	--	--	--	--	--	--	--	--	--	--	--
Rhodes Relay Station	--	5	62	67	--	5	62	67	--	5	62	67	--	--	--	--
Tangier Relay Station	--	10	87	97	--	10	87	97		10	87	97				--
Sub-total, Relay Stations	137	83	652	872	137	78	639	854	137	78	639	854	--	--	--	--
Monitoring Offices	--	3	7	10	--	3	7	10	--	3	7	10	--	--	--	--
Site Construction Staffs																
Morocco Site Staff	--	2	3	5	--	2	3	5	--	2	3	5	--	--	--	--
Thailand Site Staff	--	2	3	5	--	2	3	5	--	2	3	5	--	--	--	--
Belize Site Staff	--	1	2	3	--	1	2	3	--	1	2	3	--	--	--	--
Sub-total, Construction Staffs	--	5	8	13	--	5	8	13	--	5	8	13	--	--	--	--
Total Positions, Tech. Opers.	352	91	667	1,110	342	86	654	1,082	342	86	654	1,082	--	--	--	--

VOICE OF AMERICA

Recapitulation of Total Costs for VOA Technical Operations by Office and Location a/

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Office of the Director of Engineering and Technical Operations	$19,347,759	$19,027,469	$19,750,239	$722,770
b. Operation of Facilities				
Bethany Relay Station	2,109,829	2,079,697	2,154,422	74,725
Delano Relay Station	1,897,906	1,961,062	2,033,046	71,984
Dixon Relay Station	162,131	175,815	183,037	7,222
Greenville Relay Station	8,894,721	9,024,087	9,353,219	329,132
Antigua Relay Station	579,936	545,972	581,658	35,686
Bangkok Relay Station	1,875,134	1,963,415	2,075,741	112,326
Belize Relay Station	1,096,393	1,171,819	1,235,694	63,875
Botswana Relay Station	567,941	630,818	671,048	40,230
Colombo Relay Station	501,360	423,671	455,604	31,933
Kavala Relay Station	7,037,860	7,566,034	8,425,449	859,415
Liberia Relay Station	5,221,205	5,901,943	6,696,435	794,492
Morocco Relay Station	--	--	460,000	460,000
Munich Relay Station	4,434,601	4,694,473	4,873,096	178,623
Philippines Relay Station	5,519,187	6,061,004	6,321,921	260,917
Quesada (Costa Rica) Relay Station	480,812	47,529	--	-47,529
Rhodes Relay Station	3,122,856	3,319,340	3,681,424	362,084
Tangier Relay Station	3,156,323	3,303,019	3,540,871	237,852
Woofferton Relay Station	4,289,000	3,783,801	3,842,308	58,507
Monitoring Offices	613,958	644,869	689,847	44,978
Sub-total	51,561,153	53,298,368	57,274,820	3,976,452

a/ Includes employee compensation and benefits and program expenses.

VOICE OF AMERICA

Recapitulation of Total Costs for VOA Technical Operations by Office and Location a/

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
c. Site Construction Supervision				
Belize Site Staff	$ 122,125	$ 172,204	$ 182,023	$ 9,819
Morocco Site Staff	227,585	259,477	274,200	14,723
RF Subsystems	88,407	114,876	121,655	6,779
Thailand Site Staff	187,758	227,471	239,438	11,967
Sub-total	625,875	774,028	817,316	43,288
d. Unspecified Broadcast Reductions	--	-2,205,343	-2,256,402	-51,059
Total, Technical Operations	71,534,787	70,894,522	75,585,973	4,691,451

a/ Includes employee compensation and benefits and program expenses.

II. FUNDS

E. Program Direction (1989 Actual, $4,237,521; 1990 Estimate, $2,812,394; 1991 Estimate, $2,855,415; Increase, $43,021).

This estimate provides program expenses for the Associate Director, Voice of America, with associated staff functions including the Offices of Policy, External Affairs, Administration and Personnel.

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Office of the Associate Director..	$ 167,867	$ 146,193	$ 149,029	$ 2,836
Office of Administration..........	2,218,005	1,668,745	1,692,974	24,229
Office of External Affairs........	551,230	252,272	257,166	4,894
Personnel.........................	1,300,419	745,184	756,246	11,062
Total, Funds......................	4,237,521	2,812,394	2,855,415	43,021

The increase of $43,021 is requested to cover full year and new inflationary cost increases.

VOICE OF AMERICA

Summary of Positions and Funds for Program Direction a/

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
POSITIONS:				
Office of the Associate Director	22	20	20	--
Office of Administration	63	63	63	--
Office of External Affairs	16	16	16	--
Office of Personnel	46	46	46	--
Total, Positions	147	145	145	--
FUNDS:				
Office of the Associate Director	$ 1,578,633	$1,543,240	$1,619,236	$ 75,996
Office of Administration	4,583,534	4,261,034	4,407,852	146,818
Office of External Affairs	1,157,360	918,165	951,622	33,457
Office of Personnel	3,662,763	3,351,305	3,472,123	120,818
Total, Funds	10,982,290	10,073,744	10,450,833	377,089

a/ Includes employee compensation and benefits and program expenses.

II. **FUNDS**

F. **Home Leave and Transfer Costs (1989 Actual, $1,820,156; 1990 Estimate, $1,667,268; 1991 Estimate, $1,698,128; Increase, $30,860).**

This activity provides for travel and transportation costs related to the transfer of Foreign Service personnel and third country nationals to and from overseas VOA installations, and the assignment of Agency staff (foreign service and domestic) to and from radio broadcast operations in the United States. The following schedule shows the number of trips and the amounts required in connection with the maintenance of staff at existing installations and at the construction of new facilities.

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Trips	Amount	Trips	Amount	Trips	Amount	Trips	Amount
Appointment	28	$ 297,945	26	$ 272,919	26	$ 277,970	--	$ 5,051
Separation (Incl. Retirement)..	10	152,102	9	139,326	9	141,905	--	2,579
Home Leave and Return	18	180,152	16	165,020	16	168,074	--	3,054
Direct Transfer	47	791,592	43	725,100	43	738,521	--	13,421
Home Leave and Transfer	19	336,003	17	307,780	17	313,477	--	5,697
Other..........................	33	62,362	30	57,123	30	58,181	--	1,058
Total	155	1,820,156	141	1,667,268	141	1,698,128	--	30,860

The increase of $30,860 is requested to provide for full-year and new inflationary price increases.

TELEVISION AND FILM SERVICE

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements	$37,124,924	$31,500,174	$30,957,600	$-542,574

General Statement

The Television and Film Service (TV) is a key instrument in the U.S. Information Agency's mission of explaining American policy and society to foreign audiences. To this end, TV produces, acquires, and adapts films and videotape productions to help advance U.S. foreign policy, economic, and cultural objectives abroad.

Over the past five years, the international development of satellite television -- and our exploitation of that development -- have pushed USIA/TV to the forefront of the Agency's ongoing effort to explain American society to foreign audiences. USIA/TV's international satellite system allows live, unrehearsed dialogues between foreign journalists and top U.S. policymakers, timely discussions of scientific and cultural developments between professional peers on different continents, and the instantaneous transmission of television materials to more than 190 locations around the world. The development of the worldwide satellite system has enabled the USIA, for the first time in its history, to deliver timely news and information on breaking international developments to television audiences everywhere.

USIA/TV depends on a global infrastructure consisting of reception facilities at principal locations abroad, low cost blocks of satellite time, and informative and appealing programs. By the second quarter of FY 1990, USIA/TV had 190 TVRO (Television Receive Only) satellite dishes in place in Europe, Latin America, Africa, the Middle East, and Asia, all with access to daily satellite signals direct from USIA's studios in Washington. This network has significant, cost-effective side benefits. Its capacities have been developed to provide for the transmission of other USIA informational material -- for example, four VOA placement services, multiple languages for WORLDNET interactive programs, and Wireless File text and facsimile services. We expect the TVRO delivery of these services to result in meaningful reductions in costs for USIA when compared with existing delivery means.

USIA/TV continued in FY 1989 to produce such longstanding and successful programs as "Science World" and "Satellite File," both of which are distributed and used in over 100 countries around the world. In addition, TV began producing special clip reels of stories tied to priority Agency programming themes, as well as special satellited reports (possible only when free footage was available) on major policy-related events such as the Malta Summit, President Bush's trip to Eastern Europe, and the surrender of General Noriega.

TELEVISION AND FILM SERVICE

USIA is pleased that Section 209 (e) of P.L. 100-204, the legislation that tied continuation of our global non-interactive service to viewership levels in Europe, has been repealed. We look forward to resuming transmission of non-interactive programs for post use and placement on foreign broadcast television stations.

We do not plan to create, as we had in the past, a packaged program service designed for direct viewing by foreign audiences. The emphasis, instead, will be on the delivery of public affairs materials to our posts for placement on existing local television broadcasts and for other post programming purposes, though direct reception via cable systems and home satellite dishes will be encouraged where feasible. Action is also being taken to encourage direct reception of WORLDNET programming by local broadcast facilities, especially in Eastern Europe and the developing world.

The Agency plans to produce a daily videotape of short clips focusing on current events in the United States including American economic, social, and cultural trends and "bi-lateral" issues affecting the U.S. and another foreign country. Special emphasis will be placed on those bi-lateral stories such as a visit by a foreign head of state or special event at a foreign embassy in the United States. In some cases these items receive limited attention from commercial distributors of news materials. This program will be offered to foreign broadcasters directly by satellite or by USIS posts with all broadcast rights, and narration in English, French, Spanish, and Arabic.

USIA will continue to transmit programs acquired free of charge, like C-Span and the Chamber of Commerce's daily business news wrap-up, "First Business;" cost-free public affairs programming, such as the PBS daily "MacNeil/Lehrer News Hour," ABC-TV's "This Week with David Brinkley" and NBC-TV's "Meet the Press," to allow posts to screen this topical and timely material for invited high level audiences.

By January, 1990, WORLDNET had broadcast more than 1,500 interactive programs. These programs have, of course, continued without interruption, and interactives have become more essential than ever to the field posts, as indicated by the ever growing number of requests. With the significant increase in TVRO installations, we foresee a continuing demand for more interactive programs over the course of the next year.

Programs consistent with USIA goals are produced through cooperative arrangements involving grant agreements with foreign broadcast organizations and producers. Facilitative assistance and logistical support for these projects are provided by our Special Events and Foreign Broadcast Support Division. At the request of posts overseas, similar help is given to numerous foreign TV and film teams which come to the U.S. to produce programs on various aspects of American life for their home audiences. In addition, our TV Liaison Offices at the Foreign Press Centers in Washington and New York work closely with foreign TV bureaus and resident foreign correspondents. Many of the Television and Film Service's productions, both original and acquired, are distributed to overseas broadcasters and other foreign institutions which have facilities for screening such video material.

TELEVISION AND FILM SERVICE

During 1989, the Office of Media Resources offered more than 365 programs to overseas posts and most were added to the USIA Film and Video Collection which now contains some 7,000 titles. Subject matters ranged from foreign policy to dance to the Constitutional Convention to computer education. Virtually all of the programs are available for public performance showings on USG premises; most are also available for off-premises use, and some are available for broadcast in the host country. Some individual programs acquired during the year which reflect the gamut of material offered to the field include programs that have appeared on PBS stations such as "We the People," "Growing A Business," "Voices and Visions Poetry Series," "This Constitution," and "Secretaries of State in Conference." Offerings obtained from other sources include "Kennedy Center Honor Awards - a Celebration of the Performing Arts," and "From Opium To Heroin." This office also facilitates U.S. entries in prestigious film festivals around the world.

In 1990, Television and Film Service implemented program reductions totaling $4,587,000, consisting of a decrease in European satellite transmissions, by cutting service from five to two hours daily on EUTELSAT's West Beam and from eight to six hours daily on EUTELSAT's East Beam ($641,000); the elimination of 29 positions ($766,000); a reduction of WORLDNET interactive dialogues ($683,000); a reduction of East Asia transmission costs primarily by providing reimbursable services to other agencies ($634,000); and decreases in documentary productions ($267,000), special events ($272,000), international relations and international film festivals ($160,000), media resources ($100,000), travel ($291,000), the Video Library ($50,000), Washington Plant equipment maintenance costs ($199,000), Satellite File production costs for Portuguese and Arabic language-speaking audiences ($123,000), and TV satellite equipment for the posts ($401,000).

In 1991, a total of $30,957,000 is requested for the Television and Film Service. Budget stringencies required program reductions in 1990 as noted above, and further reductions will be necessary in 1991. The net decrease of $542,574 in 1991 results from the implementation of programmatic reductions of $586,987, consisting of the elimination of nine positions (for a savings of $387,000) and the elimination of the Documentary programs ($115,489) and a reduction in Special Events coverage ($84,498). An additional decrease of $1,261,000 will result from full-year savings of staff and program cuts implemented in 1990.

These reductions are offset, in part, by increases of $527,500 for price increases effective for part of 1990 ($237,374) and anticipated in 1991 ($290,126), $585,293 for full-year costs of FY 1990 Federal pay raises and the Federal pay raises scheduled to take effect in 1991, and other built-in salary and benefit increases of $192,620.

TELEVISION AND FILM SERVICE

Summary of Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	363	334	325	-9	13-5
FUNDS:					
A. Domestic Employee Compensation and Benefits	$14,821,556	$14,984,701	$14,712,614	$ -272,087	13-5
B. Program Activity Costs:					
1. Productions and Acquisitions	17,027,907	14,284,302	13,919,637	-364,665	13-6
2. Technical Plant Operations	3,058,882	1,471,469	1,533,855	62,386	13-9
3. Miscellaneous Costs and Production Services	2,272,573	816,402	848,194	31,792	13-10
Subtotal, Activity Costs	22,359,362	16,572,173	16,301,686	-270,487	
Total, Gross Funds	37,180,918	31,556,874	31,014,300	-542,574	
C. Deduct Reimbursements	-55,994	-56,700	-56,700	--	
Total, Direct Funds	37,124,924	31,500,174	30,957,600	-542,574	

TELEVISION AND FILM SERVICE

Explanation of Requirements

FUNDS:

A. Domestic Employee Compensation and Benefits (1989 Actual, $14,821,556; 1990 Estimate, $14,984,701; 1991 Estimate, $14,712,614; Decrease, $-272,087).

Office and Location	1989 Actual Pos.	1989 Actual Funds	1990 Estimate Pos.	1990 Estimate Funds	1991 Estimate Pos.	1991 Estimate Funds	Increase or Decrease (-) Pos.	Increase or Decrease (-) Funds
Office of the Director..................	9	$ 343,805	8	$ 440,232	8	$ 484,580	--	$ 44,348
Office of Planning and Program Coordination.........................	16	648,112	15	798,235	15	822,224	--	23,989
Office of Worldnet Production..........	138	5,427,215	133	5,726,561	124	5,511,028	-9	-215,533
Office of Networks and Communications..	140	6,426,578	137	6,084,940	137	6,329,652	--	-244,712
Office of Management and Program Services............................	60	1,975,846	41	1,934,733	41	1,565,130	--	-369,603
Total, Domestic Employees...........	363	14,821,556	334	14,984,701	325	14,712,614	-9	-272,087

The net decrease of $272,087 results from a 1991 program savings of $387,000 and nine positions in Worldnet operations and full-year savings of $663,000 resulting from the elimination of 29 positions in 1990. These decreases are partially offset by increases of $130,725 for full-year costs of the January 1990 Federal pay raise, $454,568 for the Federal pay raises scheduled to take place in 1991, $55,930 for an additional day's pay in 1991, and $136,690 for full-year and new FICA, Medicare, and health benefit increases.

TELEVISION AND FILM SERVICE

Explanation of Requirements

B. Program Activity Costs: (1989 Actual, $22,359,362; 1990 Estimate, $16,572,173; 1991 Estimate, $16,301,686; Decrease, $-270,487).

1. Productions and Acquisitions (1989 Actual, $17,027,907; 1990 Estimate, $14,284,302; 1991 Estimate, $13,919,637; Decrease, $-364,665).

This category includes funds for the following:

a. Satellite File -- The objective of this weekly syndicated half-hour program is to supply selected overseas audiences with up-to-date policy statements, backgrounders and analyses and reports of events relevant to U.S. Government policy and contemporary American life. Brief film stories of developments in energy, space, agriculture and other topics advantageous to the U.S. image which are of interest to foreign audiences are also produced and/or acquired for these programs. This material is intended primarily for placement on overseas television and can also be used for closed-circuit television briefings for foreign journalists and high-ranking officials.

b. Satellite Delivery System -- USIA's global television network links, via satellite, our Washington studios with American Embassies and selected USIS Information and Cultural Centers abroad. This network provides closed-circuit interactive programs to all geographic areas of the world. Through these interactive programs, via a one-way video and two-way audio signal, U.S. newsmakers can discuss the issues of the day with foreign journalists and other opinion leaders gathered at our Embassies. The network provides foreign media with direct access to key U.S. officials as events are breaking. It provides our key policymakers with a previously unattainable degree of media access. Additionally, the satellite infrastructure is being used to transmit quality free programs like C-Span and the Chamber of Commerce's daily business news wrap-up, "First Business." Network public affairs programming, such as the PBS daily "MacNeil/Lehrer News Hour," ABC-TV's "This Week with David Brinkley" and NBC-TV's "Meet the Press" are also being transmitted by satellite to allow posts to screen this topical and timely material for invited, high level audiences.

c. Documentaries -- The overall thrust of this activity is to conceive, develop and produce television and film program materials in response to the needs, suggestions and requests from field posts in order that Agency themes and positions may be made available to foreign broadcasters and other national audiences.

d. Special Events and Foreign Broadcast Support -- This unique activity produces both television (taped, live, and satellite) and motion picture coverages which support the mission of the Agency. In addition, this activity also provides funds to support facilities and talent as needed by the Agency to provide coverage of news and ceremonial events requested by foreign governments and to provide aid and assistance to foreign producers sent to the U.S. for such coverages. The coverage requested frequently involves use of editing facilities and satellite feeds from the USIA Washington studios.

e. Media Resources -- This activity provides for the acquisition from private sources of motion picture and television programs which serve Agency objectives for use by USIA posts overseas. It also makes arrangements for the acquisition of materials received free-of-charge for use on the WORLDNET programs. The Media Resources office supports special activities such as Black History Month, the drug awareness emphasis, and post-sponsored Film Festivals.

f. Language Versions -- The Language Versions Division produces foreign language versions of USIA-acquired and produced film and videotape program materials as requested by the USIA overseas posts or recommended by the Media Resources and Production staffs. To implement this assignment, Language Versions acquires and utilizes the services of simultaneous interpreters used in the production of WORLDNET telecasts and translators.

g. International Film Festivals/Feature Film Projects -- The International Film and Television Festivals Staff of the Media Resources Branch serves as the Agency's liaison with overseas film and television festivals, special events, and special programs for the purpose of assuring quality and creditable U.S. representation in them. The Festivals Staff obtains and provides major motion pictures for special invitational screenings held under the auspices of U.S. Ambassadors, principally in Eastern Europe and Beijing. These prestigious screenings enable Embassy officials to strengthen their cultural links with top officials of the host country. This Branch also leases 16MM classic and contemporary feature films for placement in the Agency's Loan Library and responds to single post requests for short-term loans of titles not in the library with rentals from distributors of 16MM features.

h. International Relations -- This office is responsible for expanding the placement of Agency television and film products through direct contacts with U.S.-based or visiting foreign television and film representatives' development of new distribution approaches, supplying promotional material on new products, overseas contacts and representation at international expositions. These gatherings of TV professionals from various regions represent a unique opportunity for USIA-TV to place programs and make contacts directly with foreign programmers. Recent productive venues: Algiers, Shanghai, Cannes, and Belgrade. Sometimes exhibits are displayed, live TV "interactives" are produced, and promotional tapes and brochure materials are shown and exchanged.

i. Video Library -- The Video Library offers programs to foreign audiences on a variety of subjects ranging from the performing arts to documentaries on agriculture to U.S. history. All Video Library products with the exception of commercial feature films are available on loan to these audiences free of charge.

TELEVISION AND FILM SERVICE

Activity	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Satellite File	$ 339,457	$ 332,551	$ 342,860	$ 10,309
b. Satellite Delivery System				
1) Transmissions:				
USIA-TV	10,923,221	10,467,441	10,128,076	-315,580
Other USIA Elements	355,000	710,000	733,785	23,785
2) Satellite Support Costs	2,404,340	1,072,424	1,149,895	77,471
3) WORLDNET Production	1,314,934	531,062	562,463	31,401
Sub-total	14,997,495	12,780,927	12,574,219	-206,708
c. Documentaries	176,770	115,489	--	-115,489
d. Special Events	183,645	199,769	121,463	-78,306
e. Media Resources	489,800	213,972	220,047	6,075
f. Language Versions	574,341	506,538	521,404	14,866
g. Int'l Film Festivals/Feature Film Projects	36,524	40,000	41,237	1,237
h. International Relations	163,422	45,056	46,856	1,800
i. Video Library	66,453	50,000	51,551	1,551
Total	17,027,907	14,284,302	13,919,637	-364,665

The net decrease of $364,665 results from 1991 program reductions of $199,987 due to the overall budget stringencies, including the elimination of the Documentaries program ($115,489) and a reduction in Special Events ($84,498) and full-year savings of $598,000 resulting from the reduction in TV Satellite linkages to Europe implemented in 1990.

These reductions are partially offset by increases requested to provide $433,322 for full-year costs of price increases effective for part of 1990 ($194,995) and increases anticipated in 1991 ($238,327).

TELEVISION AND FILM SERVICE

Explanation of Requirements

2. TV Technical Plant Operations (1989 Actual, $3,058,882; 1990 Estimate, $1,471,469; 1991 Estimate, $1,533,855; Increase, $62,386).

This estimate includes funds for (1) the modernization and replacement of technical equipment, minor construction and space alterations; (2) maintenance and repair of technical equipment, purchase of replacement parts, scenic and graphic supplies, materials and services, shipping, laboratory services and supplies; and (3) TV Engineering which provides technical systems designs and analysis for the satellite delivery system and TVRO radio frequency and structural site surveys.

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
1. Technical Equipment and Plant Modifications......	$1,660,360	$ 838,522	$ 876,034	$37,512
2. Maintenance, Supplies and Other Services.........	1,256,845	419,299	437,550	18,251
3. TV Engineering...................................	141,677	213,648	220,271	6,623
Total..	3,058,882	1,471,469	1,533,855	62,386

The increase of $62,386 is requested to provide for the full-year costs of price increases effective for part of 1990 ($28,074) and increases anticipated in 1991 ($34,312).

TELEVISION AND FILM SERVICE

Explanation of Requirements

3. TV Miscellaneous Costs and Production Services (1989 Actual, $2,272,573; 1990 Estimate, $816,402; 1991 Estimate, $848,194; Increase, $31,792).

This estimate includes funds for (1) program direction travel by principal officers of the Television and Film Service; and (2) program and general supplies, ADP equipment and maintenance, screening services, film selection for international festivals, and printing.

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
1. General Travel..............................	$ 601,421	$ 341,276	$ 358,340	$ 17,064
2. Production Services, Supplies and Program Support..................................	1,671,152	475,126	489,854	14,728
Total..................................	2,272,573	816,402	848,194	31,792

The increase of $31,792 is requested to provide for the full-year costs of price increases effective for part of 1990 ($14,306) and increases anticipated in 1991 ($17,486).

EDUCATIONAL AND CULTURAL AFFAIRS

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements	$36,330,224	$35,651,530	$36,470,700	$ 819,170

General Statement

The Bureau of Educational and Cultural Affairs (E) manages programs authorized by the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), including academic exchanges of American and foreign graduate students, teachers, scholars and specialists, and grants for foreign leaders and professionals to make short-term visits to the United States. It includes support functions related to these activities, such as the Presidentially-appointed Board of Foreign Scholarships and operation of Reception Centers for foreign visitors. The Bureau also administers a variety of facilitative programs which enhance and supplement existing public and private efforts in the field of international educational and cultural exchange. These involve cooperative programs with the private sector designed to accomplish mutual objectives in public diplomacy and international relations; programs for youth and non-sponsored students; the arrangement of special programs for selected foreign individuals and groups visiting the United States under other than U.S. Government sponsorship; and the engagement of fine arts exhibitions and performing artists for overseas presentations. Additionally, the Bureau provides policy guidance for Government-wide exchange programs; coordinates the Executive Branch relationship with the East-West Center; provides support for foreign student advisory services; and provides assistance to American-sponsored elementary and secondary schools abroad. In addition to traditional exchange program activities, the Bureau of Educational and Cultural Affairs is responsible for coordinating support to activities which promote the establishment and development of American studies overseas; for the support of the Agency's worldwide libraries, binational centers, and English teaching activities; for the promotion of distribution and translation of American books overseas; and for the support of the Presidentially-appointed Cultural Property Advisory Committee.

Under the Presidential directive to "encourage, aid and sponsor the broadest possible exchange of people and ideas between our country and other nations," the Bureau's broad objectives are to promote U.S. foreign policy interests and advance mutual understanding through the interchange of people, ideas and knowledge. Specific programs are designed to: develop foreign understanding of the United States and American understanding of other societies; provide common address to major international problems; advance the state of knowledge in the U.S. and abroad; develop capacity in the U.S. and in other nations to cope with an interdependent world; and invest in outstanding individuals, foreign and American.

EDUCATIONAL AND CULTURAL AFFAIRS

To further these objectives, the Agency will continue to seek improvement in the successful Government-sponsored exchange programs it presently administers; to encourage private institutions to develop their own forms of exchange which support the Agency's foreign policy objectives; to assist those private exchange programs that are in the broadest national interest; and to provide counsel and information on international exchange programs to other government agencies.

This section of the budget funds the staff that administers exchange-of-persons programs, including the Academic, International Visitor, Humphrey Fellowship, Congress-Bundestag, Private Sector exchanges and the Central American Undergraduate Scholarship Program. Program costs for these specific exchange activities are funded separately in the Educational and Cultural Exchange Programs appropriation account. In addition, this section of the budget includes staff and program support costs for the International Youth Exchange Program, Arts America Program, American-sponsored schools abroad, book programs and binational centers, U.S.-operated libraries and reading rooms abroad, English Teaching programs, and other educational and cultural activities.

In 1990, the Bureau of Educational and Cultural Affairs was required to implement programmatic reductions of $2,727,000 in the following programs: International Youth Exchange, $1,981,000; support to Overseas Schools, $230,000; Book Program, $78,000; Arts America Programs, $50,000; Library Program, $50,000; Board of Foreign Scholarships, $10,000; and eleven positions, $328,000.

In 1991, a total of $36,470,700 is requested for the Bureau of Educational and Cultural Affairs a net increase of $819,170 from the 1990 level. Requested built-in increases consist of $1,665,154 for wage scale increases ($18,646), full year and new price increases ($503,899), and full year costs of the January 1990 Federal pay raise, federal pay raises scheduled in 1991, and other salary and benefit increases ($1,142,609). These increases are offset in large part by 1991 programmatic reductions necessitated by the overall limitation imposed on the Agency's budget, including reductions in Student Support Services ($513,584); the International Youth Exchange Program ($144,000); and USIA Support to Overseas American Schools ($34,000), and full-year savings of $154,400 resulting from the elimination of 11 positions in 1990 noted above.

EDUCATIONAL AND CULTURAL AFFAIRS

Summary of Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
I. POSITIONS					
Domestic	396	385	385	--	14-4
Overseas American	22	22	22	--	14-4
Foreign National	13	13	13	--	14-5
Total, Positions	431	420	420	--	14-5
II. FUNDS					
A. Employee Compensation & Benefits	$19,528,268	$20,296,659	$21,303,513	$ 1,006,854	14-5
B. International Youth Exchange, Academic & Institutional Support.					
1. International Youth Exchange	3,295,864	1,265,000	1,158,878	-106,122	14-7
2. Academic Programs					
a. Student Support Services	2,613,640	2,614,000	2,178,731	-435,269	14-8
b. Study of the U.S.	352,515	352,000	362,546	10,546	14-8
S/T, Academic Programs	2,966,155	2,966,000	2,541,277	-424,723	14-8
3. Support to Overseas Schools	1,915,000	1,685,000	1,700,459	15,459	14-9
4. Artistic Ambassador Program	133,867	135,000	139,045	4,045	14-9
Total, International Youth Exchange, Academic and Institutional Support	8,310,886	6,051,000	5,539,659	-511,341	
C. Cultural Centers and Resources	4,223,359	4,850,000	5,025,774	175,774	14-10
D. Arts America Program	3,070,358	3,896,000	4,013,019	117,019	14-13
E. Program Direction & Administration	1,267,392	1,043,871	1,074,735	30,864	14-13
Total, Gross Funds	36,400,263	36,137,530	36,956,700	819,170	
F. Deduct Reimbursements	-70,039	-486,000	-486,000	--	
Total, Direct Funds	36,330,224	35,651,530	36,470,700	819,170	

*Detailed requirements by type of expenses for Educational and Cultural Affairs follow. A combined summary of employee compensation and benefits and program expenses by office is reflected on page 14.

EDUCATIONAL AND CULTURAL AFFAIRS

II. FUNDS

Explanation of Requirements

A. Employee Compensation and Benefits (1989 Actual, $19,528,268; 1990 Estimate, $20,296,659; 1991 Estimate, $21,303,513; Increase, $1,006,854).

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
1. Domestic Employees								
Office of the Associate Director and Related Staff	18	$ 1,074,043	18	$ 1,088,017	18	$ 1,150,078	--	$ 62,061
Office of the Executive Director	25	1,091,443	25	1,163,488	25	1,191,099	--	27,611
Office of Academic Programs	85	3,747,274	85	3,950,111	85	4,141,009	--	190,898
Office of International Visitors	96	4,165,889	93	4,327,305	93	4,530,859	--	203,554
Office of Private Sector Programs	20	1,035,319	20	1,064,306	20	1,080,505	--	16,199
Office of Cultural Centers and Resources	114	4,899,822	107	4,985,092	107	5,234,620	--	249,528
Office of Arts America	28	1,412,524	27	1,429,558	27	1,561,935	--	132,377
International Youth Exchange	10	514,086	10	544,084	10	571,287	--	27,203
Total, Domestic	396	17,940,400	385	18,551,961	385	19,461,392	--	909,431
2. Overseas American Employees								
Regional Book Officer in Mexico City	1	61,193	1	65,584	1	69,008	--	3,424
Regional Librarians in Abidjan, Bangkok, Buenos Aires, Harare, Jakarta, Karachi, Lagos Mexico City, Nairobi, Rome Tunis, and Vienna	12	814,041	12	872,680	12	918,390	--	45,710
Regional English Teaching Officers in Budapest, Jakarta, Kinshasa, Lome, Mexico City, Pretoria Rabat, San Jose, and Sao Paulo	9	533,142	9	573,503	9	603,146	--	29,643
Total, Overseas Americans	22	1,408,376	22	1,511,767	22	1,590,544	--	78,777

EDUCATIONAL AND CULTURAL AFFAIRS

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
3. Foreign National Employees Regional Book Offices in Buenos Aires 5, Cairo 2, and Mexico City 6,....								
Total, Foreign National	13	$ 179,492	13	$ 232,930	13	$ 251,576	--	$ 18,646
Total, Gross Funds	431	19,528,268	420	20,296,659	420	21,303,513	--	1,006,854

The net increase of $1,006,854 results from $170,000 for full-year costs of Federal pay raises effective for part of 1990 and $729,608 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $173,000 for increases in FICA, Medicare and other benefit costs; $70,000 for one additional day's pay; and $18,646 for foreign national wage scale increases. These increases are offset by full-year savings of $154,400 resulting from the elimination of 11 positions in 1990.

The principal elements of the Bureau of Educational and Cultural Affairs and their major functions and activities are:

The Office of the Associate Director for Educational and Cultural Affairs is responsible for the management and direction of international educational and cultural programs including academic and cultural exchanges between the United States and other countries. In addition to immediate support for the Associate Director, the staff provides policy and planning guidance and evaluation, coordination of international cultural and informational negotiations and support to the Presidentially-appointed Cultural Property Advisory Committee. The 1991 estimate provides for 18 domestic positions.

The Office of the Executive Director provides administrative and management support to the educational and cultural affairs program. The 1991 estimate provides for 25 domestic positions.

EDUCATIONAL AND CULTURAL AFFAIRS

The Office of Academic Programs advises the Associate Director on all aspects of the Agency's academic exchange programs and policies, and directs and coordinates these functions. It also conducts and promotes activities to improve the educational experiences of foreign university students in the U.S. who are not sponsored by the U.S. Government, including student counseling overseas; develops and coordinates programs which promote the study of the United States abroad; represents the Agency to the American studies community in the United States; provides professional consultation to foreign institutions and organizations on a wide spectrum of subjects; is the Agency contact point for the East-West Center; and carries out the Agency's mandate to coordinate U.S. government international exchange activities by producing an annual survey of such activities. The Board of Foreign Scholarships staff provides support for the twelve-member Presidentially-appointed Board. The Board is responsible for the operation of the academic exchange programs authorized in Section 102(a)(1), 102(b)(4), and 102(b)(6) of the Mutual Educational and Cultural Exchange Act. It establishes selection criteria and policies governing the program in the United States and abroad, reviews annual country plans, and approves all individuals receiving academic exchange grants under the Act. The 1991 estimate provides for 85 domestic positions.

The Office of International Visitors is responsible for the policy and managerial direction of all Agency-sponsored individual and group programs for officially invited international visitors as well as facilitative programs for important foreign visitors not government-sponsored. The 1991 estimate provides for 93 domestic positions.

The Office of Private Sector Programs is the principal element in USIA for designing, developing and implementing cooperative exchange-of-persons projects with private sector tax-exempt organizations and institutions whose non-profit activities complement the Agency's objectives. These projects are designed to promote a better understanding of the United States abroad through structured contacts between Americans and citizens of other nations. It provides selective support, which may consist of grants-in-aid, facilitative assistance, or both. The 1991 estimate provides for 20 domestic positions.

The Office of Cultural Centers and Resources advises the Associate Director on all aspects of the Agency's library, binational center, English teaching and book program activities. In addition to overseeing the domestic library services, the Library Programs Division establishes standards of operation and evaluation for overseas library programs to ensure they comply with Agency policies and guidelines and coordinates the activities of Area Offices and other Agency elements in the development and maintenance of library programs. The Centers Management Staff advises posts, Agency elements, and centers on center management and administration. The English Language Programs Division promotes the teaching of English as a foreign language and provides guidance and support to post and Binational Center English teaching programs. The Book Programs Division supports the publication of books translated into local languages and encourages the distribution and sale of American books through regular commercial channels. The 1991 estimate provides for 107 domestic positions.

The Office of Arts America develops and sends visual arts exhibitions, performing arts groups and individuals, and other creative artists overseas. It also manages two-way cultural programs under the General Exchanges Agreement with the USSR, as well as other bilateral cultural exchange agreements such as those with China and Hungary. In cooperation with the National Endowment for the Arts and the Rockefeller Foundation, Arts America also determines the allocation of funds under the International Festivals Fund for U.S. Artists. The 1991 estimate provides for 27 domestic positions.

The International Youth Exchange Staff is charged with developing and funding programs through grants to private sector organizations for the exchange of visitors aged 15-30 between the United States and other nations. The 1991 estimate provides for 10 domestic positions.

Overseas American and Foreign National Employees provide field support services on a regional basis. The 1991 estimate provides for 12 Regional Librarians, and nine Regional English Teaching Officers, and one Regional Book Officer. The Book Office in Buenos Aires is supported by five foreign national employees, the Book Office in Mexico City by six, and the Book Office in Cairo by two.

B. International Youth Exchange, Academic and Institutional Support

1. International Youth Exchange Program (1989 Actual, $3,295,864; 1990 Estimate, $1,265,000; 1991 Estimate, $1,158,878; Decrease, $-106,122).

The Youth Exchange Program provides grants to private sector organizations to conduct single-country regional and multi-regional short-term thematic projects for groups of visitors aged 15-30. The decrease of $106,122 results from a 1991 programmatic reduction of $144,000 necessitated by the overall limitation imposed on the Agency's budget, offset by full-year and new price increases of $37,878.

EDUCATIONAL AND CULTURAL AFFAIRS

2. Academic Programs (1989 Actual, $2,966,155; 1990 Estimate, $2,966,000; 1991 Estimate, $2,541,277; Decrease, $-424,723).

This section of the budget supports programs authorized by the Mutual Educational and Cultural Exchange Act of 1961. It provides for assistance to foreign students on non-immigrant visas enrolled in U.S. colleges and universities and for support for study of the United States abroad. The decrease of $424,723 results from a 1991 programmatic reduction of $513,584 necessitated by the overall limitation imposed on the Agency's budget, offset by full year and new price increases of $88,861.

a. Student Support Services (1989 Actual, $2,613,640; 1990 Estimate, $2,614,000; 1991 Estimate, $2,178,731; Decrease, $-435,269).

There are more than 366,000 foreign students on non-immigrant visas currently enrolled in American colleges and universities. These students represent an important investment on the part of their governments and their families. More importantly, they represent a major investment in the political and economic futures of their countries, especially in the developing world. Despite long-term efforts on the part of many American institutions, large numbers of these students are poorly selected and receive inadequate orientation and guidance. This Agency program provides support for activities designed to extend and improve services, both in the United States and overseas, for foreign students seeking admission to or already attending American colleges and universities. Projects also are designed to improve U.S. campus advisory services and to provide for the development of quality programs and more opportunities for Americans planning to study abroad. The decrease of $435,269 results from a programmatic reduction of $513,584 necessitated by the overall limitation imposed on the Agency's budget, offset by full year and new price increases of $78,315.

b. Study of the United States (1989 Actual, $352,515; 1990 Estimate, $352,000; 1991 Estimate, $362,546; Increase, $10,546).

This program develops, acquires and distributes materials in support of foreign educators and institutions involved in the study of the United States. It provides assistance for American studies programs and conferences generated by field posts and foreign institutions involved in the study of the United States. The increase of $10,546 is requested to provide for full year and new price increases.

3. Support to Overseas Schools (1989 Actual, $1,915,000; 1990 Estimate, $1,685,000; 1991 Estimate, $1,700,459; Increase, $15,459).

The funds requested for aid to American-sponsored schools abroad assist in supporting programs which are intended to increase mutual understanding between the peoples of the United States and of other countries by financing studies, instruction and other educational activities of nationals of foreign countries in American schools abroad in order to demonstrate educational methods and practices employed in the United States. The increase of $15,459 results from full-year and new price increases of $49,459 offset by a 1991 programmatic reduction of $34,000.

Distribution of Support to Overseas Schools by Geographic Area

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
East Asia and Pacific	$ 192,000	$ 168,940	$ 170,490	$ 1,550
Africa	155,500	136,824	138,079	1,255
North Africa, Near East and South Asia.	287,000	252,530	254,847	2,317
American Republics	853,500	750,991	757,880	6,889
West Europe	234,000	205,885	207,785	1,900
Soviet Union and East Europe	28,000	24,637	24,863	226
Worldwide	165,000	145,193	146,515	1,322
Total	1,915,000	1,685,000	1,700,459	15,459

4. Artistic Ambassador Program (1989 Actual, $133,867; 1990 Estimate, $135,000; 1991 Estimate, $139,045; Increase, $4,045).

The Artistic Ambassador Program is a way to use the wealth of often undiscovered musical talent in the United States to help carry out USIA's mission of enhancing cross-cultural understanding. An important component of the program, which distinguishes it from other cultural presentations undertaken by USIA, is an interaction by the artist with the communities to be visited through occasional home stays and critical instructions given in local conservatories, question and answer sessions, lectures, etc. The musicians travel under USIA auspices on six to eight week musical tours in Western Europe, Eastern Europe, the Near East, East Asia, Africa or Latin America. In addition to giving public concerts, they work with music students and faculties in conservatories. During 1990, 15 musicians will visit 20 countries, and by September, 1990, the program will have sent 54 musicians to 78 countries. The increase of $4,045 is requested for full-year and new price increases.

C. Cultural Centers and Resources (1989 Actual, $4,223,359; 1990 Estimate, $4,850,000; 1991 Estimate, $5,025,774; Increase, $175,774).

1. Domestic Agency Library Services, and Program Support Materials (1989 Actual, $751,764; 1990 Estimate, $657,000; 1991 Estimate, $672,660; Increase, $15,660).

The domestic library serves as a major source of information and library resources for all elements in the Agency and overseas. These funds provide for its reference and research materials, data base development and access, and other library services. The increase of $15,660 is requested to provide for full-year and new price increases.

2. English Teaching Program (1989 Actual, $241,777; 1990 Estimate, $363,000; 1991 Estimate, $368,160; Increase, $5,160).

This activity provides for the production of audio-visual materials for direct teaching and teacher-training, including supplementary texts and manuals, VTRs, films, and audio recordings for English teaching programs. It also includes support to binational centers, cultural centers and English teaching programs. The increase of $5,160 is requested to provide for full-year and new price increases.

3. Book Programs (1989 Actual, $2,390,331; 1990 Estimate, $2,878,000; 1991 Estimate, $2,956,187; Increase, $78,187).

These funds provide support for the Agency's worldwide book publishing and promotion activities, including translation and reprinting of significant books relating to Agency themes in English and other languages, the American presence at major book fairs and book events, thematic book exhibits shown in over sixty countries, and costs of shipping limited quantities of inexpensive English reprints and donated books to book-famine countries in the Third World and to new audiences of readers in Eastern Europe. The increase of $78,187 is requested to provide for full-year and new price increases.

4. Regional Service Support Programs (1989, $839,487; 1990 Estimate, $952,000; 1991 Estimate, $1,028,767; Increase, $76,767).

This activity represents all operating expenses connected with the overseas Regional Book Offices, Librarians, and English Teaching Officers, including local and regional travel, residential and office space, furniture, supplies, and equipment.

Summary of Regional Service Support Programs

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Regional Book Offices:				
Barcelona	$ 18,851	$ --	$ --	$ --
Buenos Aires	27,933	24,707	31,055	6,348
Cairo	17,158	15,339	15,752	413
Mexico City	71,562	74,486	77,061	2,575
Subtotal, Book Offices.......	135,504	114,532	123,868	9,336
Regional Librarians:				
Abidjan	39,650	42,407	45,536	3,129
Bangkok..........................	50,209	51,165	54,263	3,098
Buenos Aires	30,694	29,673	30,863	1,190
Harare	24,941	25,962	28,884	2,922
Jakarta	30,113	26,708	27,827	1,119
Karachi	28,605	27,715	30,119	2,404
Lagos	23,703	21,199	23,763	2,564
Mexico City	40,267	40,098	42,614	2,516

EDUCATIONAL AND CULTURAL AFFAIRS

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Nairobi..........................	$ 34,151	$ 34,028	$ 36,679	$ 2,651
Rome	41,618	40,833	42,573	1,740
Tunis	25,783	35,079	36,954	1,875
Vienna	56,659	55,204	57,253	2,049
Subtotal, Librarians	426,393	430,071	457,328	27,257
Regional English Teaching Officers:				
Budapest	--	36,000	43,425	7,425
Jakarta..........................	41,798	44,591	47,222	2,631
Kinshasa	41,538	55,724	61,334	5,610
Lome	49,073	40,406	45,894	5,488
Mexico City......................	13,794	46,089	48,406	2,317
Pretoria	44,156	41,692	48,229	6,537
Rabat............................	31,262	45,400	49,426	4,026
San Jose.........................	27,154	32.331	35,189	2,858
Sao Paulo........................	28,815	65,164	68,446	3,282
Subtotal, English Teaching..	277,590	407,397	447,571	40,174
Total	839,487	952,000	1,028,767	76,767

The net increase of $76,767 is requested to provide for full year and new price increases.

D. Arts America Program (1989 Actual, $3,070,358; 1990 Estimate, $3,896,000; 1991 Estimate, $4,013,019; Increase, $117,019).

This activity administers fine and performing arts programs in response to overseas post requests. The programs involve American visual arts exhibitions, performing artists and groups, speakers on the arts, and Cultural Specialists (practitioners of the arts). It also provides facilities assistance to American artist institutions engaged in activities overseas, and manages two-way cultural programs under the General Exchanges Agreement with the USSR, as well as other bilateral cultural exchange agreements such as those with China and Hungary.

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Country/Area Performing and Visual Arts Presentations..............	$2,309,900	$2,836,000	$2,929,415	$93,415
Accords with Eastern Europe and PRC......	460,458	760,000	783,604	23,604
Special International Cultural Events....	300,000	300,000	300,000	--
Total, Arts America....................	3,070,358 a/	3,896,000 a/	4,013,019 a/	117,019

The increase of $117,019 is requested to provide for full year and new price increases.

a/ Includes funds under the no-year portion of the Salaries and Expenses Appropriation as follows: 1989, $460,458; 1990, $760,792; and 1991, $783,604.

E. Program Direction and Administration (1989 Actual, $1,267,392; 1990 Estimate, $1,043,871; 1991 Estimate, $1,074,735; Increase, $30,864).

This category provides funds for program and administrative travel performed by the staff of the Associate Director within the U.S. and overseas and for other support costs of administering the Bureau's programs. Domestic travel is required to consult with and evaluate the performance of programming organizations which receive contract or grant support; to consult with educational institutions and other public and private organizations; and to attend conferences and meetings relevant to the Agency's program. Overseas travel includes participation in regional conferences and seminars and visits to individual posts to consult with and provide guidance to field program operations and consultation with foundations and institutions to coordinate governmental and private programs. It also includes shipping, the purchase of program and administrative supplies and materials, and support to the Presidentially-appointed Board of Foreign Scholarships and the Cultural Property Advisory Committee. The increase of $30,864 is requested to provide for full-year and new price increases.

EDUCATIONAL AND CULTURAL AFFAIRS

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
POSITIONS:				
Domestic	396	385	385	--
Overseas American	22	22	22	--
Foreign National	13	13	13	--
Total, Positions	431	420	420	--
FUNDS:				
Office of the Associate Director and Related Staff	$ 1,115,022	$ 1,121,768	$ 1,184,827	$ 63,059
Office of the Executive Director	1,132,744	1,197,505	1,226,121	28,616
Office of Academic Programs	6,969,573	7,127,080	6,899,493	-227,587
Office of International Visitors	4,324,834	4,458,218	4,665,646	207,428
Support to Overseas Schools	1,915,000	1,685,000	1,700,459	15,459
Office of Private Sector Programs	1,213,794	1,236,047	1,257,377	21,330
Office of Cultural Centers and Resources	11,120,059	11,916,667	12,449,350	532,683
Office of Arts America	4,653,922	5,466,433	5,719,994	253,561
International Youth Exchange	3,955,315	1,928,812	1,853,433	-75,379
Total Gross Funds	36,400,263	36,137,530	36,956,700	819,170
Deduct Reimbursements	-70,039	-486,000	-486,000	--
Total, Direct Funds	36,330,224	35,651,530	36,470,700	819,170

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements..........................	$39,114,835	$42,176,853	$41,585,400	$ -591,453

General Statement

The central Program Coordination, Production and Support functions of the Agency are performed by the Bureau of Programs (P). Under the Director's guidance, P seeks to give a clearly defined purpose to all the Agency's program operations. Specifically, P:

- --Develops coordinated public diplomacy policies to guide all Agency programs consistent with U.S. foreign policies and interests;
- --Focuses the creative efforts of Agency media elements on the principal matters of interest to the U.S. and foreign countries;
- --Assists posts abroad -- by means of publications, speakers, exhibits and other media -- in their efforts to increase understanding of U.S. policies and society among foreign publics; and
- --Contributes to the development and implementation of the Government's international communications policies.

In 1989, activities were concentrated on introducing the new administration, its policies and its actions in response to rapidly evolving world events. The efforts highlighted the U.S. political processes, provided substantive coverage of key figures and their responsibilities and emphasized the enduring continuity of U.S. foreign policy formulation. Specifically, Bureau elements issued policy guidance, coordinated domestic activity and executed programs to inform overseas posts and to support their efforts to communicate with foreign audiences about U.S. political and economic policies regarding wide ranging issues from U.S. economic competitiveness in the Pacific Rim to efforts to combat drugs to complicated foreign policy and human rights issues in the context of rapidly changing events in East and West Europe.

In 1990, limitations imposed on the Agency's budget have forced reductions in Program Coordination, Production, and Support totalling $5,175,000. These include elimination of 32 positions in the Office of the Associate Director (5), Foreign Press Centers (1), Office of Program Coordination and Development (8), and Press and Publications Service (18 -- 6 domestic and 12 foreign national, $851,316); reductions in the American Participants programs ($307,000); suspension of the English version of Dialogue magazine pending an internal review of publication activities ($65,000); elimination of three one-city showings of a solo exhibit in Eastern Europe ($675,000); reductions in development, production and collateral programming for exhibit showings in the USSR and throughout Eastern Europe ($2,633,000); reductions of press and publications support costs ($265,305); conversion of the Regional Service Center in Mexico to a Regional Translation Office ($18,000); and elimination of the Express File ($360,379). The Agency also proposes to apply a total of $2,929,097 in 1990 to provide for initial costs of U. S. participation in the Quincentennial Celebrations of Columbus' discovery of America scheduled to take place in 1992 in Seville, Spain, and Genoa, Italy. Funds for this purpose derive from prior-year appropriation balances ($1,067,259), remaining Tsukuba Expo trust fund balances ($248,463), and reprogramming from the reductions in other exhibitions of 1990 appropriated funds ($1,613,375).

In 1991, a total of $41,585,400 is requested for Program Coordination, Production and Support -- a net decrease of $591,453. This results from 1991 programmatic reductions of $639,807 and 12 positions associated with the Exhibits programs necessitated by the overall limitations imposed on the Agency's budget. Further reductions include full-year savings of $533,000 related to the elimination of 32 positions in 1990 and non-recurring costs of $5,868,846 for Special International Exhibitions activities completed in 1990 primarily in the Soviet Union and Eastern Europe.

These decreases are offset, in part, by increases of $65,086 for foreign national wage scale increases; $356,060 for price increases effective for part of 1990 ($160,228) and for increases anticipated in 1991 ($195,832); $229,000 for full-year costs of the January 1990 Federal pay raise; $803,257 for Federal pay raises scheduled in 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $191,000 for FICA and Medicare increases; $86,431 for an additional day's pay in 1991; $400,000 for initial start-up costs for a third U.S./USSR cultural exhibit; and a net increase of $4,319,366 associated with U. S. participation in the 1992 Quincentennial Celebrations at the International Expositions at Seville, Spain and at Genoa, Italy.

The individual elements of the Bureau of Programs and their major functions and activities follow.

The Office of the Associate Director (P) is responsible for the overall planning and direction of the Bureau of Programs. In addition to the Associate Director's immediate staff, this office includes a Policy Guidance Staff (P/G) which provides fast daily and in-depth guidance for operating elements of the Agency on U.S. foreign policy issues. This staff also reviews program proposals of the Agency's field and Washington elements to assure consistency with policy and represents USIA in inter-agency meetings on public affairs issues. A Media Reaction Staff (P/M) provides daily reports on foreign media reaction to the Director and 250 other policy makers in the White House, NSC, State, Defense, USIA, and other Federal agencies. An Executive Office (P/X) provides administrative support for the Associate Director and all other elements in P. The 1991 estimate provides for a staff of 57 positions.

Foreign Press Centers (P/F), located in Washington and New York and a Media Liaison Office in Los Angeles, provide facilitative services and conduct thematic working tours and policy briefings for foreign correspondents assigned to the U.S., all of which contribute to a better understanding of American policies and motives. The 1991 estimate provides for a staff of 20 positions.

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

The Office of Program Coordination and Development (P/D) recruits American speakers to explain U.S. policies and society to overseas audiences, both in person and via electronic media from the U.S.; sends sports experts abroad to assist foreign sports organizations; and provides materials, drawing upon various media resources, to support these programs. The 1991 estimate provides for a staff of 52 positions.

The Press and Publications Service (P/P) supports U.S. foreign policy objectives overseas through a variety of press articles, periodicals and pamphlets, photos and other visual materials. Wireless File transmissions (seven-days-a week) to posts throughout the world carry texts of major speeches and official government statements, analytical and background articles explaining foreign policy and domestic developments, selected materials from U.S. publications, and reports from P/P correspondents on developments of interest to foreign audiences. This output, with translation in Arabic, French, and Spanish, including material sent by mail, is placed in indigenous media and post-produced publications, distributed directly to target audiences, or used as background and policy sources by mission staffs.

P/P publishes six magazines -- America Illustrated, a monthly in Russian; Dialogue, a quarterly journal of American thought and culture in 12 foreign languages; Problems of Communism, a scholarly bi-monthly in English and Spanish; Economic Impact, a quarterly economics journal in English, Spanish and Portuguese; Topic, a bi-monthly in English and French for Sub-Saharan Africa; and al-Majal a monthly in Arabic for distribution in the Near East and North Africa. Pamphlets and special publications are produced to illustrate, explain special themes, and inform about American society and institutions. A special features service provides posts with a collection of reprints and commissioned articles for placement in the foreign media and republication in post magazines.

P/P purchases press and photo supplies and equipment for overseas posts. P/P's photo service provides posts with picture stories, photo packets, and prints for display and exhibit purposes. It also photographs or contracts photo services for post-requested stories and pamphlets.

P/P also manages a Regional Service Center in Manila which prints most of the Agency's magazines and pamphlets. The 1991 estimate provides for a combined Press and Publications staff of 377 positions.

The Exhibits Service (P/E) is responsible for the development, production, and operation of major national exhibitions in the USSR and Eastern Europe; U.S. Government participation in Bureau of International Expositions-sanctioned events outside the U.S.; and Political Presence exhibits at international trade fairs in Africa, the Near East, and Latin America. The larger exhibitions, such as those developed under exchange agreements, often include American guides, a library, brochures, and specialists who conduct seminars both at the exhibition and off site. P/E also produces or acquires poster-like paper shows, and small travelling exhibits and displays which support programs coordinated by P and conducted by USIS posts throughout the world. The Service buys exhibit and display supplies, materials, and tools for USIS posts. The 1991 estimate provides for a staff of 45 positions.

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

Summary of Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	419	400	388	-12	
Overseas American	10	10	10	--	
Foreign National	165	153	153	--	
Total, Positions	594	563	551	-12	15-5
FUNDS:					
A. Employee Compensation and Benefits	$22,935,973	$22,590,219	$22,745,067	$ 154,848	15-5
B. Indirect and World-Wide Program Coordination, Production, and Support	6,048,253	4,766,547	4,909,824	143,277	15-6
C. Special International Exhibitions	10,570,014	15,185,394	14,295,816	-889,578	15-14
Total, Gross Funds	39,554,240	42,542,160	41,950,707	-591,453	
D. Deduct Reimbursements	-439,405	-365,307	-365,307	--	
Total, Direct Funds	39,114,835	42,176,853	41,585,400	-591,453	

Detailed requirements by type of expenses for Program Coordination, Production, and Support follow. A combined summary of employee compensation and benefits and program expenses by office is reflected on page 22.

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

Explanation of Requirements

FUNDS:

A. Employee Compensation and Benefits (1989 Actual, $22,935,973; 1990 Estimate, $22,590,219; 1991 Estimate, $22,745,067; Increase, $154,848).

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
1. Domestic Employees:								
Office of Associate Director and Other Staffs.........................	62	$2,677,175	57	$ 3,215,191	57	$ 3,160,907	--	$ -54,284
Foreign Press Centers..................	21	1,147,361	20	1,242,225	20	1,282,435	--	40,210
Office of Program Coordination & Development........................	60	2,854,738	52	2,783,724	52	2,778,676	--	-5,048
Press & Publications Service...........	224	11,918,102	219	11,047,203	219	11,667,181	--	619,978
Exhibits Service......................	52	2,316,459	52	2,391,627	40	1,888,475	-12	-503,152
Total, Domestic Employees............	419	20,913,835	400	20,679,970	388	20,777,674	-12	97,704
2. Overseas American Employees:								
Press & Publications Service...........	9	667,136	9	680,246	9	711,277	--	31,031
Exhibits Service......................	1	105,010	1	107,252	1	111,848	--	4,596
Total, Overseas American Employees...	10	772,146	10	787,498	10	823,125	--	35,627
3. Foreign National Employees:								
Press & Publications Service...........	161	974,942	149	861,627	149	868,687	--	7,060
Exhibits Service......................	4	275,050	4	261,124	4	275,581	--	14,457
Total, Foreign National Employees....	165	1,249,992	153	1,122,751	153	1,144,268	--	21,517
Total, Gross Funds...................	594	22,935,973	563	22,590,219	551	22,745,067	-12	154,848

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

The net increase of $154,848 is requested to provide full-year costs of $185,000 for January, 1990 Federal pay raises; $803,257 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $191,000 for full-year and new health, FICA, & Medicare increases; $65,086 for foreign national wage scale increases; $80,431 for an additional day's pay in 1991; and $2,881 for full-year and new inflationary cost increases for Foreign Service allowances.

These increases are offset, in part, by decreases of $533,000 for non-recurring costs associated with the elimination of 32 positions in 1990 [Office of the Associate Director, 5; Foreign Press Center, 1; Office of Program Coordination and Development, 8; and Press and Publications Service, 18 (6 domestic and 12 foreign national)]; and a 1991 program decrease of $639,807 associated with the reduction of 12 positions in the Exhibits Service.

B. Indirect and World-Wide Program Coordination, Production, and Support (1989 Actual, $6,048,253; 1990 Estimate, $4,766,547; 1991 Estimate, $4,909,824; Increase, $143,277).

The estimate provides funds for indirect and world-wide Program Coordination, Production, and Support as follows:

Office	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
1. Office of Associate Director......................	$ 937,760	$ 742,261	$ 755,202	$ 12,941	15-7
2. Foreign Press Centers.............................	125,898	157,899	162,80[illegible]	4,910	15-7
3. Office of Program Coordination and Development...	1,475,061	1,193,921	1,241,[illegible]	47,944	15-8
4. Press and Publications Service...................	3,054,238	2,263,366	2,330[illegible]	67,260	15-9
5. Exhibits Service.................................	455,296	409,100	419,[illegible]	10,222	15-13
Total, Gross Funds.............................	6,048,253	4,766,547	4,909,824	143,277	

Detailed requirements by type of expense for this activity follow:

PROGRAM COORDINATION, PRODUCTION AND SUPPORT

1. Office of Associate Director (1989 Actual, $937,760; 1990 Estimate, $742,261; 1991 Estimate, $755,202; Increase, $12,941).

Activity	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Travel and Miscellaneous Program Expenses......	$ 131,854	$ 30,596	$ 31,071	$ 475
b. Office Automation (Bureau-wide)................	224,279	150,261	152,545	2,284
c. Special Press Support..........................	494,943	500,000	507,500	7,500
d. Special International Events/U.S. Initiatives..	17,532	18,000	19,051	1,051
e. Support for Policy Guidance Staff..............	69,152	43,404	45,035	1,631
Total....................................	937,760	742,261	755,202	12,941

These funds provide for travel within the U.S. and overseas for program direction and for attendance at meetings relevant to Agency operations; procurement and maintenance of office automation equipment for offices throughout the Bureau; reimbursement to the Department of State for expenses related to press support to Presidential travel overseas; support for special international events and U.S. initiatives; support for country data analyses; and bibliographic studies.

The increase of $12,941 will provide for full year and new inflationary cost increases for travel, shipping and services.

2. Foreign Press Centers (1989 Actual, $125,898; 1990 Estimate, $157,899; 1991 Estimate, $162,809; Increase, $4,910).

The 1990 estimate provides for orientation programs in the U.S. for foreign correspondents from media institutions abroad and for program materials for the operation of the Foreign Press Centers in New York and Washington and the Media Liaison Office in Los Angeles.

The increase of $4,910 will provide for full-year and new inflationary cost increases for travel, shipping, materials, and services.

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

3. Office of Program Coordination and Development (1989 Actual, $1,475,061; 1990 Estimate, $1,193,921; 1991 Estimate, $1,241,865; Increase, $47,944).

Subject Areas	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Sports America..	$ 335,862	$ 234,687	$ 242,631	$ 7,944
b. Economics, Science and Technology....................	280,322	248,248	259,232	10,984
c. International Political Relations....................	349,787	265,303	277,163	11,860
d. U.S. Political and Social Processes..................	393,771	322,430	337,532	15,102
e. Satellite Speakers Program...........................	115,319	123,253	125,307	2,054
Total...	1,475,061	1,193,921	1,241,865	47,944

The Office of Program Coordination and Development, in support of overseas post initiatives and with the cooperation of other Agency elements and public and private institutions, provides American citizen experts to address foreign publics on issues of mutual concern. American Participants, through seminars and lectures, video dialogues, telepress conferences, and electronic dialogues, cover a broad range of topics from government and politics, economics and science to social aspects of American life. The Office coordinates the development of media components to complement and reinforce the communication of Agency field officers and other Americans with influential leaders in other countries. Support products include books, articles, videotapes and films. This office also recruits and schedules specialists for sports programs and coordinates the Agency's sports initiatives to foster communication with a wide range of decision makers who may not be reached through other Agency programs.

The increase of $47,944 is requested for full year and new rate increases in the cost of travel, shipping and other costs.

4. Press and Publications Service (1989 Actual, $3,054,238; 1990 Estimate, $2,263,366; 1991 Estimate, $2,330,626; Increase, $67,260).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Press and Editorial Services	$ 920,327	$ 550,000	$ 557,934	$ 7,934
b. Publications Services	396,845	378,281	385,445	7,164
c. Printing Services	969,640	738,801	776,567	37,766
d. Copy Preparation Facility	270,656	269,276	273,369	4,093
e. Travel and Program Expenses	496,770	327,008	337,311	10,303
Total	3,054,238	2,263,366	2,330,626	67,260

a. Press and Editorial Services: These services encompass textual and visual materials produced in the United States for placement by overseas missions in indigenous newspapers and periodicals, for distribution to influential leaders, and for use in post-produced publications. Many of these editorial products are transmitted abroad via radio-teletype and high-speed computer-to-computer communications. Other materials, such as magazines, pamphlets, visual products, and feature services, are distributed to posts by mail. The service is also responsive to posts' requests for special materials and arranges copyright clearances for domestically-produced articles upon posts' requests. A computerized index system helps provide the Agency and field posts with materials available in the editorial files of the Press and Publications Service (P/P). The net increase of $7,934 in 1991 is requested to provide for full-year and new inflationary cost increases for products and services.

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
(1) Text and Feature Services	$ 551,026	$ 162,000	$ 164,462	$ 2,462
(2) Visual Services	369,301	388,000	393,472	5,472
Total, Press and Editorial Services	920,327	550,000	557,934	7,934

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

(1) Text and Feature Services provide official policy statements and feature materials to overseas mission posts by radio-teletype, computer-to-computer or mail. Output includes coverage of the White House, the Departments of State and Defense, Congress and other government agencies; coverage of major U.S. political and economic developments; special country and area-targeted stories; articles on international affairs; and background materials on culture, technology and other major aspects of American life. These materials are staff-written, commissioned, or selected from commercial publications.

(2) Visual Services select, contract for processing and distribute to overseas mission posts photos of major aspects of American life as well as activities by important foreign visitors. Photos are obtained from commercial agencies, educational institutions and other outside sources. In addition, photos are produced by staff or freelance photographers as requested by posts for special publications or special placement.

b. Publications Services: These services include periodicals and pamphlets in English and foreign-language editions for world-wide and special area distribution. In general, the costs shown below reflect the editorial preparation costs for Agency publications. Editorial preparation costs of the post-produced publications are included as country costs in the geographic area sections.

(1) America Illustrated, a monthly magazine in Russian, sold on newsstands in the USSR, is designed to present a balanced and varied picture of American culture, institutions, and society.

(2) Topic, a bi-monthly magazine in English and French for sub-Saharan Africa, focuses on American life and U.S.-African relationships, helping political, cultural, professional and student leaders gain an understanding of American society, policies, and attitudes.

(3) al-Majal is published monthly in Arabic for leadership audiences in the Arab countries of North Africa and the Near East. The magazine focuses on American culture, society and science, and on U.S.-Arab relationships.

(4) Problems of Communism, a bi-monthly scholarly periodical in English and Spanish, is distributed to scholars, editors, and government officials.

(5) Dialogue, a quarterly journal of American thought and culture, includes extensive textual and visual representation of the dynamism and creativity in American arts. Dialogue is distributed in 12 foreign languages primarily in South American, African, and East European countries. The English version of this magazine was suspended in 1990 as a result of overall budget stringencies, pending an internal review of all publication activities.

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

(6) Economic Impact, a quarterly review, is published in English, Spanish, and Portuguese for a world-wide audience of readers involved in economic decision-making. It provides analyses and significant background information on the American economy in a world-wide context.

(7) Pamphlets are produced on aspects of American foreign policy, culture, scientific development, economy, government and other themes. They are published in English, Spanish, French and Arabic; and many field posts publish other language versions.

Activity	No. Copies Per Issue	Publications Editorial Costs 1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
(1) America Illustrated (60 pages monthly)	86,500-126,500*	$ 151,568	$ 136,000	$ 138,067	$ 2,067
(2) Topic (68 pages bi-monthly)	47,500	69,987	48,000	48,729	729
(3) al-Majal (36 pages monthly)	19,500	22,473	21,461	22,301	840
(4) Problems of Communism (84 pages bi-monthly)	32,500	66,290	80,620	82,746	2,126
(5) Dialogue (84 pages quarterly)	133,500	46,354	43,000	43,654	654
(6) Economic Impact (92 pages quarterly)	61,700	10,249	10,200	10,355	155
(7) Pamphlets	--	29,924	39,000	39,593	593
Total, Publications	--	396,845	378,281	385,445	7,164

The requested increase of $7,164 will provide for full-year and new inflationary cost increases for products and services.

* In 1989, 86,500 copies of America Illustrated were distributed, including 80,000 sold in the USSR. Under an agreement between the U.S. and USSR signed at the May, 1988 Moscow Summit, the circulation of America Illustrated increased to 80,000 in 1989, to 100,000 in 1990, and is planned to increase to 120,000 in 1991. The costs of the additional copies in 1991 are reflected in the Soviet Union and East European section of the S&E justifications.

c. Printing Services: The Regional Service Center in Manila produces periodicals and pamphlets for use by posts in all areas and performs reimbursable services for other U.S. Government agencies. RSC Manila is a full service facility which prints most of the Agency's publications. These funds provide for rent, utilities, plant maintenance and the purchase of new and replacement equipment for the Regional Service Center in Manila, for translation, typesetting, and paste-up costs in Spanish at the Regional Translation Office in Mexico, and in Arabic at the Regional Publication Center in Tunis. The increase of $37,766 will provide for full-year and new inflationary cost increases for leases, utilities, shipping, reimbursable printing services and other operating expenses.

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
(1) Rent, Utilities and Maintenance:				
Tunis	$ 41,993	$ 43,404	$ 46,008	$ 2,604
Manila	426,743	345,993	375,580	29,587
Mexico City	45,500	38,044	41,848	3,804
Sub-Total	514,236	427,441	463,436	35,995
(2) Equipment	186,387	116,500	118,271	1,771
(3) Services to other Agencies	269,017	194,860	194,860	--
Total, Printing Services	969,640	738,801	776,567	37,766

d. Copy Preparation Facility: An automatic copy preparation and text storage system provides a facility to prepare copy for publications and for the creation of regional wireless files through the use of automatic data processing equipment which includes typesetting and data (text) storage and retrieval capability. The increase of $4,093 will provide for full-year and new inflationary cost increases for products and services.

e. Travel and Program Expenses: These funds provide for travel and program expenses related to: (1) editorial services, to obtain press and pictorial coverage of foreign visitors, conferences, international meetings and other special events; (2) publications, to arrange for articles and pictorial material from American publishers and photographic agencies for use in Agency publications; and (3) printing services, to inspect equipment and supplies at the manufacturing plants and operations at the Regional Service Center, and to consult with mission posts on printing and other needs. The increase of $10,303 will provide for full-year and new inflationary cost increases for travel, materials, and services.

5. Exhibits Service (1989 Actual, $455,296; 1990 Estimate, $409,100; 1991 Estimate, $419,322; Increase, $10,222).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Exhibit Expenses..	$ 185,170	$ 159,761	$ 162,564	$ 2,803
b. Travel, Miscellaneous Supplies and Services............	49,819	9,901	10,080	179
c. Vienna Regional Exhibits Center........................	204,139	212,938	220,178	7,240
d. Representation (USSR/Brisbane/Seville & other Exhibits)	16,168	26,500	26,500	--
Total..	455,296	409,100	419,322	10,222

a. Exhibit Expenses: These funds provide for forward shipping and refurbishment of display items required by overseas mission posts in carrying on exhibit activities; the research, writing and layout expenses for approximately nine paper show exhibits per year; and occasional special purpose exhibits. The increase of $2,803 will provide for full-year and new inflationary cost increases for supplies, materials and shipping.

b. Travel, Miscellaneous Supplies and Services: These funds provide for travel in the U.S. and overseas and general support, such as printing, miscellaneous services, supplies, communications and reference materials for use by the staff. The increase of $179 will provide for full-year and new inflationary cost increases for travel.

c. Vienna Regional Exhibits Center: These funds provide for operating expenses connected with the Regional Exhibits Center in Vienna. Included are costs for office and warehouse space, furniture, supplies and equipment. The increase of $7,240 will provide for overseas price increases for materials and services.

d. Representation: These funds provide for representation expenses related to public relations activities integral to large expositions, such as press previews, tours for specialist groups and reciprocal hospitality. No change is proposed from the 1990 budgeted amount.

C. Special International Exhibitions (1989 Actual, $10,570,014; 1990 Estimate, $15,185,394; 1991 Estimate, $14,295,816; Decrease, $-889,578).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
1. Centerpiece Exhibits and Support..............	$ 696,910	$ 749,494	$ 462,166	$ -287,328	15-14
2. Solo Exhibitions in Eastern Europe............	1,478,453	3,412,036	1,680,252	-1,731,784	15-16
3. Solo Exhibitions in USSR......................	7,591,292	7,745,987	4,754,456	-2,991,531	15-18
4. Bureau of International Expositions...........	510,951	2,732,201	7,000,000	4,267,799	15-19
5. Exhibits Servicing (Washington and Vienna)....	284,005	520,496	385,942	-134,554	15-21
6. Representation - Regular Projects............	8,403	25,180	13,000	-12,180	15-21
Total, SIE Direct Obligations..........	10,570,014	15,185,394	14,295,816	-889,578	

1. Centerpiece Exhibits and Support: These funds provide for medium size exhibits (50-275 square meters) which attract private sector participants and serve as the centerpiece for an official U.S. presence at international fairs in Africa, the Near East, and Latin America. The 1991 estimate will fund six such fairs and the development and production of one small centerpiece exhibit, for the African area, and start development of a larger one for either the Near East or Latin America. The sites listed are illustrative of events staged over the past several years but await definitive nominations and stringent justification from overseas posts, when the posts are convinced that such activity can uniquely communicate with the people of the host country.

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
1. Centerpiece Exhibits & Support:				
Kinshasa - 87	$ 8,820	$ 80	$ --	$ -80
Development and Production (New Exhibit) - AF - 88	52,121	209	--	-209
Montevideo - 88	19	9,136	--	-9,136
Development and Production (New Exhibit) - AR - 88	160,872	--	--	--
Valencia - 88	654	204	--	-204
Nairobi - 88	16	--	--	--
Gaborone - 88	19,706	3,985	--	-3,985
Thessaloniki - 88	1,244	11,260	--	-11,260
Algiers - 88	163	20,411	--	-20,411
Development & Production (New Exhibit) NEA/AF - 89	90,295	28,622	--	-28,622
Baghdad - 89	50,536	6,483	--	-6,483
Bulawayo - 89	20,851	13,680	--	-13,680
Maputo - 89	11,750	8,250	--	-8,250
San Salvador - 89	36,912	22,220	--	-22,220
New Delhi - 89	82,136	12,864	--	-12,864
Libreville - 89	56,912	--	--	--
Kinshasa - 89	16,125	3,875	--	-3,875
Buenos Aires - 89	37,480	62,520	--	-62,520
Baghdad - 90	471	69,529	--	-69,529
Baghdad - (New Exhibit) 91	--	--	70,000	70,000
Santiago - 90	20,070	59,930	--	-59,930
Guatemala - 90	9,681	65,319	--	-65,319
Algiers - 90	--	70,000	--	-70,000
Maputo - 90	--	60,000	--	-60,000
Lima - 90	--	65,000	--	-65,000
Development & Production (New Exhibit) - AF - 90	--	155,917	--	-155,917
Bulawayo - 91 Technology Gets Down	--	--	56,000	56,000
Maputo - 91 New Exhibit	--	--	35,000	35,000
Buenos Aires - 91 Business Ventures	--	--	65,000	65,000
Montevideo - 91 Business Ventures	--	--	65,000	65,000
Development & Production (New Exhibit) - AF - 91	--	--	71,166	71,166
Development & Production (New Exhibit) NEA/AF - 91	--	--	100,000	100,000
Adjustment to prior year obligations	20,076	--	--	--
Total, Centerpiece Exhibits and Support	696,910	749,494	462,166	-287,328

2. Solo Exhibitions in Eastern Europe: These exhibitions, developed for showing in capital and provincial cities of Eastern Europe, are shown under cultural exchange or other bilateral agreements.

Research, development and production for exhibitions called for under new cultural exchange agreements with Eastern European countries include identification and acquisition of content, design, fabrication, travel, and brochure preparation.

Funds for showings cover costs of logistics, exhibits renovation, language changes and updating for new countries, new brochures, libraries, bilingual American guides, specialists, administrative costs, and site operating expenses.

The 1991 estimate provides the balance of funding for the following exhibitions in the respective countries: "Design in America," Romania; "Frontiers of Discovery," Poland; and a new exhibit on an environmental theme in Czechoslovakia and Hungary. The 1991 estimate also includes funds to begin development of another new exhibit to begin touring Eastern Europe in late 1992.

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

	Total Project Cost	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
2. Solo Exhibitions in Eastern Europe:					
American Theatre Today:					
Czechoslovakia....................	$ 774,895	$ 9,554	$ 16,504	$ --	$ -16,504
Poland............................	835,000	173,523	9,563	--	-9,563
American Film:					
GDR...............................	373,997	6,034	59,317	--	-59,317
Filmmaking in America:					
Czechoslovakia....................	550,000	426,539	123,357	--	-123,357
Poland............................	764,220	1,160	763,060	--	-763,060
Design in America:					
Hungary...........................	423,000	44,237	27,213	--	-27,213
Romania...........................	400,000	--	--	400,000	400,000
GDR...............................	445,000	9,988	435,012	--	-435,012
Frontiers of Discovery: 6th Series					
D & P Cultural Exchange...........	595,307	577,747	--	--	--
Yugoslavia........................	495,803	159,932	335,871	--	-335,871
Hungary...........................	525,000	1,400	523,600	--	-523,600
Bulgaria..........................	428,513	--	428,513	--	-428,513
Poland............................	400,000	--	--	400,000	400,000
Communications-USA:					
Zagreb............................	80,558	22,278	17,426	--	-17,426
Environment: 7th Series:					
Development and Production.........	676,000	3,400	672,600	--	-672,600
Czechoslovakia....................	400,000	--	--	400,000	400,000
Hungary...........................	400,000	--	--	400,000	400,000
New Exhibit 8th Series:					
Development and Production/start-up	80,252	--	--	80,252	80,252
Adjustment of prior year obligations.	--	42,661	--	--	--
Total, Solo Exhibitions in Eastern Europe............................		1,478,453	3,412,036	1,680,252	-1,731,784

3. **Solo Exhibitions in USSR:** These funds are used to implement cultural exchange agreements between the U.S. and USSR for the exchange of traveling exhibitions on mutually approved subjects. The signing of a cultural exchange agreement with the Soviet Union in November, 1985, signified the restoration of major exhibit showings in the USSR.

The first exhibit under the agreement, "Information USA," was returned to Vienna for storage, repair and disposition. The program agreement was renewed to cover the period January 1, 1989 through December 31, 1991. An exhibit on the theme of "Design USA," developed and produced to tour nine cities of the USSR, opened in Moscow in September, 1989. The exhibit portrays the process of design -- how American designers creatively and innovatively respond to consumer needs and market demands, especially in the fields of architecture, product design, and graphic design. The 1990 estimate will provide $6,931,307 for travel, personnel salaries, space rental, promotional costs, shipping, purchase of supplies and materials, and operating costs in five cities. The 1991 estimate of $4,354,456 will cover operating costs associated with the last three cities and disposition.

It is anticipated that a new agreement will be negotiated to cover the period January 1, 1992 through December 31, 1994. Planned development of a third series of exhibits will begin in 1991, on a theme yet to be determined. The estimate proposed for 1991 will provide for research and design development.

	Total Project Cost	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Information USA	$15,925,468	$1,928,787	$ 814,680	$ --	$ -814,680
Design USA	17,798,981	5,662,505	6,931,307	4,354,456	-2,576,851
New Exhibit, Third Series	11,700,000	--	--	400,000	400,000
Total, Solo Exhibitions in USSR		7,591,292	7,745,987	4,754,456	-2,991,531

4. Bureau of International Expositions (BIE): These funds provide for U.S. Government participation at international expositions approved by the BIE in sites outside the United States.

With the acceptance by Presidents Reagan and Bush of the invitations of Spain and Italy, the Agency is responsible for U. S. participation in a universal-class international exposition in Seville, Spain in 1992, as well as a specialized exposition in Genoa, Italy. The U.S. participation in both expositions will focus on the promotion of trade and tourism during this year of the economic integration of Western Europe. Several states, cities, universities and major American corporations have expressed interest in participation in the U.S. national section of the expositions.

We now estimate that design and development costs will require $3.0 million and that construction, fabrication and operation costs for both projects will total $31.9 million. Of the total amount needed for participation, we anticipate that about $14,500,000 will be met by the Federal government and that the remainder of $20.4 million, or over 58 percent, will be covered by contributions from non-federal sources.

27-566 0 - 90 - 24

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

In 1990, initial start-up costs (exhibit and architectural and engineering design contracts for the U.S. pavilion and personnel salaries) are estimated at $2.93 million. The Agency plans to cover these costs by applying balances of prior-year appropriations of $1,067,259, the remaining balances of $248,463 in the Agency's trust fund account for the Tsukuba Expo, and new 1990 appropriated funds of $1,613,375. A letter notifying Congress of this proposed reprogramming was being prepared as the Agency's 1991 budget justifications were being finalized. A total of $7,000,000 is requested for these expositions in 1991 to provide for further architectural and engineering design costs, salaries, travel, and construction of the pavilion structure (these costs will be recouped from the state and corporate users of the pavilion and allocated to operating costs).

	Total Project Cost	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease(-)
Brisbane..................................	$ 8,126,000	$ 495,423	$ 51,567	$ --	$ -51,567
Seville/Genoa Columbus Quincentennial.....	34,856,000*	15,528	2,680,634	7,000,000	4,319,366
Total, Bureau of International Expositions..................		510,951	2,732,201	7,000,000	4,267,799

---

* As noted above, the Federal budget share of the total project costs will be limited to the $3.0 million architectural and engineering design costs and approximately $11.5 million of the $31.9 million construction and operating costs. The balance of $20.4 million will be met through contributions by private sources.

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

5. Exhibits Servicing (Washington and Vienna): The funds requested will provide for field support and related services for Solo Exhibitions in Eastern Europe as well as exhibits in the Near East, Africa and Latin America. Costs for maintenance and renovation, warehousing, exhibit modification, European industry liaison, site surveys, and contract oversight are included, as are costs of a reciprocal American escort officer for the major Soviet exhibitions that are shown in the U.S. under the U.S./USSR cultural exchange agreements. The net decrease of $134,554 results from non-recurring expenses of exhibitions completed in 1990, partially offset by full-year and new cost increases.

6. Representation: An allowance of $13,000 is requested in 1991 for representational activities integral to large special international exhibitions, such as press previews, tours for specialist groups including those from schools, and professional institutes, reciprocal hospitality with ministers of state, fair directors, ambassadors from third world countries, and ranking officials from other countries' pavilions and America Day receptions. The decrease of $12,180 results from non-recurring costs of representational events held in 1990 for exhibitions funded with carryover balances.

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

Summary of Requirements by Office

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
POSITIONS:				
Domestic	419	400	388	-12
Overseas American	10	10	10	--
Foreign National	165	153	153	--
Total, Positions	594	563	551	-12
FUNDS:				
Office of Associate Director and Other Staffs	$ 3,614,935	$ 3,957,452	$ 3,916,109	$ -41,343
Foreign Press Centers	1,273,259	1,400,124	1,445,244	45,120
Office of Program Coordination and Development	4,329,799	3,977,645	4,020,541	42,896
Press and Publications Service	16,614,418	14,852,442	15,577,771	725,329
Exhibits Service	13,721,829	18,354,497	16,991,042	-1,363,455
Total, Gross Funds	39,554,240	42,542,160	41,950,707	-591,453
Deduct Reimbursements	-439,405	-365,307	-365,307	--
Total, Direct Funds	39,114,835	42,176,853	41,585,400	-591,453

AGENCY DIRECTION AND MANAGEMENT

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements	$57,750,879 a/	$56,186,697	$55,996,200	$-190,497

General Statement

Offices under the heading Agency Direction and Management consist of: Office of the Director; Office of Research; Office of the General Counsel; Office of Congressional Liaison; Office of Public Liaison; U.S. Advisory Commission on Public Diplomacy; and the Bureau of Management.

In 1990, offices under this heading implemented program reductions totalling $3,762,000 and 51 positions.

In 1991, a total of $55,996,200 is requested for Agency Direction and Management. The net decrease of $190,497 from the 1990 level reflects additional 1991 programmatic decreases of $991,305, consisting of $344,017 in salary costs relating to the elimination of 10 positions (two in the Office of the Director, one in the Office of Public Liaison, one in the Office of the General Counsel, one in the Office of the Comptroller, one in the Office of Personnel and four in the Office of Technology) and $647,288 for contract overseas research studies, overseas and domestic automation support, and administrative support services; $250,000 for non-recurring equipment costs; $545,000 for anticipated savings due to the Agency's conversion to the FTS-2000 telephone service; and $959,000 for full-year savings of 51 positions eliminated in 1990.

These decreases are offset in part by increases of $362,296 for full-year and new price increases; $312,000 for full-year costs of Federal pay raises effective for part of 1990 and $1,351,512 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $320,000 for full-year costs of other salary and benefit changes; $128,000 for one additional day's pay in 1991; $57,000 for increased reimbursements to the Department of Labor for the Employee Compensation Fund; and $24,000 for increased pro-rata costs for the National Emergency Telecommunications Service.

---

a/ For comparative purposes, excludes $3,477,716 and 50 positions for the Office of the Inspector General which was transferred to a separate appropriation account in 1990.

AGENCY DIRECTION AND MANAGEMENT

The individual elements under this heading and their major functions are:

The Director and the Deputy Director are responsible for the overall planning and direction of the Agency's public diplomacy mandate. In addition to the Director's and Deputy Director's immediate staffs, the Office of the Director includes the Counselor's Office, the Executive Secretariat, the Operations Center, the Secretariat Staff, the President's U.S.-Soviet Exchange Initiative Office, the President's Eastern European Initiative Coordinator and the Private Sector Committees unit. The 1991 estimate provides for a staff of 60 positions.

The Office of Research, which reports directly to the Agency Director, conducts assessments of foreign attitudes, foreign media commentary and communication issues. These activities are carried out in support of the Director's statutory role as advisor to the President, the Secretary of State and the National Security Council "on assessments of the impact of (U.S.) foreign policy decisions on public opinion abroad." The Office also evaluates Agency programs at the request of the Director or Agency elements to provide program guidance on Agency activities.

Research memos, reports, briefing papers and foreign media analyses are sent to the White House, foreign affairs agencies, and other interested departments and agencies of the Government. Results of studies are available to interested scholars and others at the National Archives and Records Administration. The 1991 estimate provides for a staff of 51 positions.

The Office of the General Counsel is responsible for the Agency's legal affairs and all litigation, both administrative and judicial. The Office advises the Director and other officers on the interpretation of laws, executive orders, regulations, international agreements and legal decisions which affect Agency authority and operations. In addition, the staff drafts substantive legislation for submission to Congress. The Office negotiates and advises on all aspects of international agreements, including those dealing with Fulbright-Hays exchanges and VOA broadcasting/relay stations. The Office acts as liaison with the legal sections of the other foreign affairs departments and agencies in the formulation of coordinated policies and with the legal sections in departments and agencies throughout the Government on matters of common concern. The Office negotiates and secures clearances for the Agency's use of copyrighted or otherwise controlled materials in its programs. The Office is also responsible for processing and acting on requests for documents made under the Freedom of Information and Privacy Acts. GC is responsible for the implementation and operation of the Agency's J-1 Visa Program, comprised of some 2,500 U.S. academic institutions, private U.S. organizations and U.S. Government agencies which sponsor approximately 175,000 exchange visitors annually, a number expected to increase dramatically with the East European initiative. An increase is also anticipated as new trends in U.S. higher education take hold. Another part of the exchange visitor program is the recommendation of waiver of a two-year residency requirement also delegated to this office. The 1991 estimate provides for a staff of 40 positions.

AGENCY DIRECTION AND MANAGEMENT

The Office of Congressional Liaison is responsible for the Agency's legislative affairs and acts as the conduit between Congress and the Agency. Specifically, the Office coordinates all USIA efforts to provide Congress with information about its programs, accomplishments and objectives, and the establishment of satisfactory relations between key USIA officials and Members of Congress and appropriate key Congressional committees. The 1991 estimate provides for a staff of six positions.

The Office of Public Liaison directs and carries out activities designed to discharge the Agency's obligation to provide information about USIA policies, mission and programs to the American people, the communications media, academic institutions and educational organizations. The 1991 estimate provides for a staff of 17 positions.

The Advisory Commission secretariat provides necessary assistance to the members of the U.S. Advisory Commission on Public Diplomacy. The staff facilitates the work and meetings of the Commission and gathers and maintains materials for the Commission's report and activities. The 1991 estimate provides for a staff of five positions.

The Bureau of Management provides central management guidance and administrative services to the Agency and maintains arrangements with other agencies for reimbursable administrative support services to the Agency's world-wide operations. The central administrative services in support of overseas and domestic operations include: budgeting; financial operations; automated data management; personnel and training activities (except VOA); equal employment opportunity and civil rights programs; contract and procurement; property and lease management; communications; central management; reproduction services; travel and transportation support; administrative policies and regulations; internal controls; physical, personnel and documentary security operations; organizational analysis; and U.S.-based administrative support for the Agency's overseas posts. The office is also responsible for monitoring and evaluating new developments in communications technology. The 1991 estimate provides for a staff of 607 positions.

AGENCY DIRECTION AND MANAGEMENT

Summary of Requirements

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	840	789	779	-10	
Overseas American	6	6	6	--	
Foreign National	1	1	1	--	
Total, Positions	847	796	786	-10	16-5
FUNDS:					
A. Employee Compensation and Benefits	$35,818,603	$36,656,105	$37,464,600	$808,495	16-5
B. Program Expenses	21,996,141	19,551,892	18,552,900	-998,992	16-7
Total, Gross Funds (Comparative Basis)	57,814,744	56,207,997	56,017,500	-190,497	
C. Deduct Reimbursements	-63,865	-21,300	-21,300	--	
Total, Direct Funds (Comparative Basis)	57,750,879	56,186,697	55,996,200	-190,497	

Detailed requirements by type of expenses for Agency Direction and Management follow. A combined summary of Employee Compensation and Benefits and Program Expenses by office is reflected on page 16-16.

---

a/ For comparative purposes, excludes $3,477,716 and 50 positions for the Office of the Inspector General which was transferred to a separate appropriation account in 1990.

AGENCY DIRECTION AND MANAGEMENT

Explanation of Requirements

FUNDS:

A. Employee Compensation and Benefits (1989 Actual, $35,818,603; 1990 Estimate, $36,656,105; 1991 Estimate, $37,464,600; Increase, $808,495).

Office and Location	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
Domestic Employees:								
Office of the Director	65	$3,839,801	62	$3,534,325	60	$3,736,134	-2	$201,809
Office of Research	55	2,404,342	51	2,728,565	51	2,883,079	--	154,514
Office of the General Counsel	42	1,724,198	41	2,003,448	40	2,070,257	-1	66,809
Office of Congressional Liaison	6	192,096	6	294,338	6	307,780	--	13,442
Office of Public Liaison	19	703,737	18	795,848	17	829,335	-1	33,487
U.S. Advisory Commission on Public Diplomacy	5	246,202	5	247,846	5	258,124	--	10,278
Bureau of Management:								
Office of Associate Director and Other Staffs	14	1,019,455	12	847,640	12	872,392	--	24,752
Office of Administration	170	5,831,002	156	6,261,332	156	6,354,967	--	93,635
Office of Technology	123	4,898,572	122	5,205,254	118	5,305,438	-4	100,184
Office of the Comptroller	108	4,076,999	105	3,822,146	104	3,864,423	-1	42,277
Office of Contracts	39	1,518,027	37	1,628,156	37	1,666,566	--	38,410
Office of Equal Employment Opportunity	6	342,797	6	323,546	6	338,713	--	-15,167
Office of Personnel	112	5,518,944	96	5,592,483	95	5,520,168	-1	-72,315
Office of Security	76	3,067,471	72	2,913,797	72	2,984,645	--	70,848
Sub-total, Bureau of Management	648	26,273,267	606	26,594,354	600	26,907,312	-6	312,958
Total, Domestic Employees	840	35,383,643	789	36,198,724	779	36,992,021	-10	793,297

AGENCY DIRECTION AND MANAGEMENT

Office and Location	1989 Actual Pos.	1989 Actual Funds	1990 Estimate Pos.	1990 Estimate Funds	1991 Estimate Pos.	1991 Estimate Funds	Increase or Decrease (-) Pos.	Increase or Decrease (-) Funds
2. Overseas American Employees:								
Regional Executive Assistants in South Africa, Gabon, Ivory Coast, Kenya, Senegal and Ecuador....	6	$ 395,150	6	$ 414,701	6	$ 429,899	--	$ 15,198
3. Foreign National Employees:								
Regional Radio Teletype Maintenance Technician in Panama...............	1	39,810	1	42,680	1	42,680	--	--
Total, Gross Funds...........	847	35,818,603	796	36,656,105	786	37,464,600	-10	808,495

The net increase of $808,495 is requested to provide $312,000 for full-year costs of Federal pay raises effective for part of 1990 and $1,351,512 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $128,000 for one additional day's pay in 1991; and $320,000 for full-year and new increases in health insurance and FICA. These increases are partially offset by full-year savings of $959,000 resulting from the elimination of 51 positions in 1990 and $344,017 for a program reduction in 1991 related to the elimination of 10 additional positions (two in the Office of the Director, one in the Office of the General Counsel, one in the Office of Public Liaison, four in the Office of Technology, one in the Office of Personnel and one in the Office of the Comptroller).

AGENCY DIRECTION AND MANAGEMENT

Explanation of Requirements

B. Program Expenses (1989 Actual, $21,996,141; 1990 Estimate, $19,551,892; 1991 Estimate, $18,552,900; Decrease, $-998,992).

The estimate provides funds for program expenses as follows:

	Office	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
1.	Office of the Director.........	$ 138,383	$ 131,752	$ 137,752	$ 6,000	16-7
2.	Office of Research.............	1,946,879	1,722,924	1,751,640	28,716	16-8
3.	Office of the General Counsel..	113,996	74,541	75,541	1,000	16-9
4.	Office of Congressional Liaison	13,200	15,681	9,658	-6,023	16-9
5.	Office of Public Liaison.......	77,657	78,152	80,152	2,000	16-9
6.	U.S. Advisory Commission on Public Diplomacy.............	47,859	49,513	45,748	-3,765	16-10
7.	Bureau of Management...........	19,658,167	17,479,329	16,452,409	-1,026,920	16-11
	Total, Gross Funds...........	21,996,141	19,551,892	18,552,900	-998,992	

Detailed requirements by type of expense for Agency Direction and Management follow:

1. Office of the Director (1989 Actual, $138,383; 1990 Estimate, $131,752; 1991 Estimate, $137,752; Increase, $6,000).

These funds provide for travel in the United States by the Director and his staff for consultation with public and private officials regarding the Agency's programs; overseas travel by the Director and his staff for consultation and conferences with Agency and Embassy officials; and for miscellaneous program expenses. The increase of $6,000 is requested for full-year and new price increases for international travel.

AGENCY DIRECTION AND MANAGEMENT

2. Office of Research (1989 Actual, $1,946,879; 1990 Estimate, $1,722,924; 1991 Estimate, $1,751,640; Increase, $28,716).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Research Studies..................	$1,662,877	$1,488,771	$1,506,487	$17,716
Travel and Miscellaneous Research Services........................	284,002	234,153	245,153	11,000
Total	1,946,879	1,722,924	1,751,640	28,716

Research Studies: The Office of Research provides support for: (a) the Agency's mandated role as an advisor in foreign policy deliberations; (b) the Agency's communications programming; and (c) activities by USIS Posts abroad in support of U.S. policy objectives. The Office conducts three basic types of research: (a) attitudinal research on foreign public opinion about key foreign policy issues; (b) communications research, including evaluations of VOA program effectiveness, descriptions of foreign media and their audiences, and studies of international communications policy issues; and (c) foreign media research -- foreign print media and television analyses.

The net increase of $17,716 is requested for anticipated price increases of $105,562 for overseas surveys, partially offset by a programmatic reduction of $87,846 in attitude/policy research and evaluation research.

Travel and Miscellaneous Research Services: These funds provide for travel within the United States and overseas for the initiation and supervision of research studies; consultation with private research institutions; and miscellaneous research costs including data processing facilities and services. The increase of $11,000 is requested for full-year and new price increases for travel and data processing services.

AGENCY DIRECTION AND MANAGEMENT

3. Office of the General Counsel (1989 Actual, $113,996; 1990 Estimate, $74,541; 1991 Estimate, $75,541; Increase, $1,000).

These funds provide for travel within the United States and overseas for consultation and negotiations on Agency contracts and other legal matters; designating authority for exchange visitor programs of the U.S. Government and private organizations; and for miscellaneous program expenses. The increase of $1,000 is requested for anticipated price increases in contractual database services.

4. Office of Congressional Liaison (1989 Actual, $13,200; 1990 Estimate, $15,681; 1991 Estimate, $9,658; Decrease, $-6,023).

These funds provide for program expenses and miscellaneous administrative expenses for the Office. A total of $9,658 is requested for 1991, a reduction of $6,023.

5. Office of Public Liaison (1989 Actual, $77,657; 1990 Estimate, $78,152; 1991 Estimate, $80,152; Increase, $2,000).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
USIA World Expenses................	$50,958	$47,224	$49,224	$2,000
Other Public Liaison Expenses......	26,699	30,928	30,928	--
Total........................	77,657	78,152	80,152	2,000

These funds provide for seminars, conferences and workshops with academic, professional and public interest institutions and groups; travel within the United States and overseas; materials needed to answer requests from the American public and news media for information about the Agency; and for printing of the Agency's newsletter. The increase of $2,000 is requested for anticipated price increases in printing costs.

AGENCY DIRECTION AND MANAGEMENT

6. U.S. Advisory Commission on Public Diplomacy (1989 Actual, $47,859; 1990 Estimate, $49,513; 1991 Estimate, $45,748; Decrease, $-3,765).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Travel	$17,580	$43,284	$39,519	$-3,765
Other Expenses	30,279	6,229	6,229	--
Total	47,859	49,513	45,748	-3,765

The 1991 request will provide $39,519 for travel by Commission members and staff officers of the Secretariat to attend meetings of the Commission and to study and inspect Agency operations and programs and $6,229 for design and publication of the Commission's annual report to Congress and other special reports. The net decrease of $3,765 results from a programmatic reduction of $5,765, partially offset by anticipated price increases of $2,000.

7. Bureau of Management (1989 Actual, $19,658,167; 1990 Estimate, $17,479,329; 1991 Estimate, $16,452,409; Decrease, $-1,026,920).

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Entertainment in the United States.....	$ 20,000	$ 20,000	$ 20,000	$ --
b. Administrative Expenses:				
(1) Telephone Costs....................	3,366,730	3,482,683	2,950,683	-532,000
(2) Administrative Supplies and Materials..........................	1,216,952	1,082,708	1,012,708	-70,000
(3) Office Furniture and Equipment.....	452,185	337,452	287,452	-50,000
(4) Reproduction and Printed Materials.	1,242,611	1,204,735	1,204,735	--
(5) Workman's Compensation Funds.......	847,131	885,417	942,417	57,000
(6) Overseas Servicing Expenses........	764,922	714,455	741,455	27,000
(7) Space Modification/Relocation......	682,499	669,569	639,569	-30,000
(8) U.S. Postal Service Contract.......	956,849	1,117,857	1,229,857	112,000
(9) Other Administrative Expenses......	885,796	552,262	541,262	-11,000
Sub-total, Administrative Expenses..	10,415,675	10,047,138	9,550,138	-497,000
c. Communication and Technology Expenses:				
(1) Communications.....................	2,154,210	1,394,109	1,172,109	-222,000
(2) Domestic and Overseas Technology...	2,087,424	1,825,063	1,823,063	-2,000
(3) Computer Management................	2,278,617	1,777,272	1,517,272	-260,000
Sub-total, Communication and Technology Expenses...............	6,520,251	4,996,444	4,512,444	-484,000
d. Other Bureau Expenses:				
(1) Personnel Expenses.................	635,018	655,449	664,449	9,000
(2) Security Expenses..................	1,581,206	1,432,699	1,431,433	-1,266
(3) Other Management Expenses..........	486,017	327,599	273,945	-53,654
Sub-total, Other Bureau Expenses....	2,702,241	2,415,747	2,369,827	-45,920
Total	19,658,167	17,479,329	16,452,409	-1,026,920

AGENCY DIRECTION AND MANAGEMENT

a. Entertainment, including official receptions, within the United States: Reimbursement for this type of expense is made after careful review of vouchers submitted by officials incurring the costs. Each voucher details the purpose of the expense, the names of the guests, and the type of function held. The mission of the U.S. Information Agency embraces substantial international negotiating and public diplomacy responsibilities. These responsibilities require the Agency to conduct negotiations in the U.S. for cultural exchange agreements between the U.S. and other governments and agreements with private and semi-public organizations. They also require the Agency to develop and maintain relationships with foreign diplomats and important foreign visitors to the United States.

In order to discharge these duties effectively, the Director and other senior Agency officials in the U.S. must host official receptions, luncheons, and dinners. These well-recognized expressions of welcome and hospitality are offered as polite reciprocity for similar, but usually more generous events, given by foreign and private dignitaries when they serve as hosts.

b. Administrative Expenses:

(1) Telephone Costs: This activity provides primarily for reimbursement to the General Services Administration for telephone usage, equipment rental, and service, including the Agency's share of the Federal Telecommunications System (FTS). It is anticipated that the conversion to the FTS-2000 system in 1990 will result in considerable savings to the Agency. The net decrease of $532,000 results from this anticipated savings of $545,000 and a programmatic reduction of $13,000 partially offset by price increases in other telephone costs of $26,000.

(2) Administrative Supplies and Materials: This activity provides for the purchase of office supplies and administrative forms; supplies for word processing; shipping of non-program materials to domestic locations outside of the Washington area; and purchase of gas, oil and parts for administrative vehicles. A total $1,012,708 is requested for this activity in 1991, a reduction of $70,000.

(3) Office Furniture and Equipment: This activity provides for the purchase, rental and repair of typewriters, and other office equipment, the purchase and refinishing of office furniture and the purchase and installation of carpeting. A total of $287,452 is requested for this activity in 1991, a reduction of $50,000.

AGENCY DIRECTION AND MANAGEMENT

(4) Reproduction and Printed Materials: This activity provides support for the Agency's central reproduction centers including equipment rental and purchase, supplies and maintenance. Also included are funds for purchase of Congressional documents and other publications, obtained primarily from the Government Printing Office. No increase is requested in 1991.

(5) Workman's Compensation Funds: This activity provides for reimbursement to the U.S. Department of Labor for the Employee Compensation Fund and the Unemployment Compensation Fund. The increase of $57,000 provides for increased reimbursements to these funds.

(6) Overseas Servicing Expenses: This activity provides for reimbursement to the Department of State for services provided by U.S. Despatch Agents; purchase of lumber, boxes and other packing materials used to prepare program materials and equipment for overseas shipment; travel and operating expenses for six existing Regional Executive Assistants in South Africa, Gabon, Ivory Coast, Kenya, Senegal and Ecuador; and for the overseas travel of Washington-based personnel providing design and technical assistance on post renovation projects, equipment repair, and administrative management assistance on a temporary basis. The increase of $27,000 is requested to provide for full-year and new price increases for operating expenses of the Regional Executive Assistants ($18,000) and for international travel for Washington-based personnel ($9,000).

(7) Space Modification and Relocation Expenses: This activity provides funds for modifications and office moves not handled by GSA. The decrease of $30,000 results from a programmatic reduction necessitated by the overall limitation imposed on the Agency's budget.

(8) U.S. Postal Service Contract: This activity provides for reimbursement to the Postal Service for postage and mail services. An increase of $112,000 is requested for 1991 to provide for anticipated price increases.

(9) Other Administrative Expenses: This activity provides for public transportation expenses, general administrative travel and other management related costs. In addition, funds are provided for costs associated with U.S./USSR and Economic Summits held in the U.S. The decrease of $11,000 results from a programmatic reduction in the Agency's courier service.

c. Communications and Technology Expenses:

(1) Communications: This activity provides the equipment, engineering and technical support necessary for fast internal and world-wide distribution of news and feature materials and the transmission of outgoing and the automated distribution of incoming cable traffic. Included are funds for an intra-agency cable system; supplies and equipment; travel of engineers for maintenance and repair of receivers and teletypewriter equipment at overseas posts; paper; leased circuit costs; and the Agency's pro-rata share of the National Emergency Telecommunications System (NETS) facilities. The net decrease of $222,000 results from non-recurring equipment costs of $250,000, partially offset by an increase of $24,000 in NETS costs and anticipated rate increases of $4,000.

(2) Domestic and Overseas Technology: This activity provides for acquisition of software, equipment and services for posts overseas; purchase and maintenance of domestically located Bureau equipment; software, equipment and training materials in support of the Agency's End-User Information Center; contractual services in support of various Agency programs and general technology administration and travel. The net decrease of $2,000 results from 1991 program reductions of $10,000 in domestic office automation support, partially offset by anticipated price increases of $8,000 in travel costs.

(3) Computer Management: This activity provides support for the operation of all central computer facilities including the support of communication hub systems at field posts, office automation systems, electronic mail systems domestically and overseas, and related contract services. These services include data conversion, microfiche development, user support, systems programming and computer operations to support a 24-hour operation. The decrease of $260,000 results from reductions in contractor support for computer operations and programming.

d. Other Bureau Expenses:

(1) Personnel Expenses This activity provides funds for personnel recruitment expenses; appointment of clerical employees; incentive awards programs; reimbursement to the Public Health Service, Department of Health and Human Services, for health room services; and other personnel expenses. The increase of $9,000 is requested for increased reimbursement to the Public Health Service.

AGENCY DIRECTION AND MANAGEMENT

(2) Security Expenses: This activity provides for security investigations, domestic guard services, travel, technical security equipment, supplies and services. Security investigations are conducted on all citizens or residents of the United States employed by the Agency. Applicants for positions designated as "critical sensitive" receive a full-field investigation conducted by a private contractor. The less extensive pre-employment checks, which are given applicants for "non-critical sensitive" positions, are conducted by Agency personnel. The net decrease of $1,266 results from a programmatic reduction in investigation funds of $50,000, partially offset by anticipated price increases of $48,734 in domestic guard service costs.

(3) Other Management Expenses: This activity provides funds to modernize the Agency's accounting and payroll systems; equal employment opportunity expenses; and other expenses of the Associate Director for Management. The decrease of $53,654 results from 1991 program reductions in accounting/payroll system modernization funds ($21,654) and other Management costs ($32,000).

AGENCY DIRECTION AND MANAGEMENT

Summary of Requirements by Office

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)
POSITIONS:				
Domestic...........................	840	789	779	-10
Overseas American..................	6	6	6	--
Foreign National...................	1	1	1	--
Total, Positions.................	847	796	786	-10
FUNDS:				
Office of the Director.............	$ 3,978,184	$ 3,666,077	$ 3,873,886	$ 207,809
Office of Research.................	4,351,221	4,451,489	4,634,719	183,230
Office of the General Counsel.......	1,838,194	2,077,989	2,145,798	67,809
Office of Congressional Liaison.....	205,296	310,019	317,438	7,419
Office of Public Liaison...........	781,394	874,000	909,487	35,487
U.S. Advisory Commission on Public Diplomacy.........................	294,061	297,359	303,872	6,513
Bureau of Management	46,366,394	44,531,064	43,832,300	-698,764
Total, Gross Funds (Comparative Basis)..............	57,814,744	56,207,997	56,017,500	-190,497
Deduct Reimbursements..............	-63,865	-21,300	-21,300	--
Total, Direct Funds (Comparative Basis)..............	57,750,879	56,186,697	55,996,200	-190,497

a/ For comparative purposes, excludes $3,477,716 and 50 positions for the Office of the Inspector General which was transferred to a separate appropriation account in 1990.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

	1989 Actual	1990 Estimate a/	1991 Estimate	Increase or Decrease (-)
Summary of Requirements	$53,266,020	$56,483,595	$59,876,600	$3,393,005

General Statement

This activity covers the Agency's reimbursement to the Department of State for its share of the cost of Distributed Administrative Support (DAS), to the General Services Administration for space and standard levels of service provided under the Federal Building Rent System, and to the Department of Defense for world-wide postal services. In 1990, as a result of the overall reduction of the Agency's budget, the Agency reduced its presence in Sudan resulting in DAS service reductions by $162,000, and reduced the amount of M & R for GSA rented space by $50,000.

The 1991 estimate for this activity totals $59,876,600.

The net increase of $3,393,005 is requested to provide for increased reimbursements to the Department of State, the General Services Administration, and the Department of Defense for overseas wage-scale and price increases, rate increases in the cost of rent, utilities, and other services for domestic space, transportation, and other net built-in changes. These increases are offset in part by programmatic reductions necessitated by the overall limitation imposed on the Agency's budget, including DAS service reductions of $116,000.

---

a/ For comparative purposes, excludes $20,634,000 for building operating expenses and other administrative support costs formerly budgeted by the Department of State which were transferred in 1990 to the budgets of USIA and other participating agencies. In 1991, the Administration proposes that these costs be covered by the Department of State's budget.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

Summary of Requirements

	1989 Actual	1990 Estimate a/	1991 Estimate	Increase or Decrease (-)	Page Ref.
A. Reimbursement to Department of State for Distributed Administrative Support	$23,484,000	$25,719,000	$27,461,022	$1,742,022	17-3
B. Reimbursement to General Services Administration for Standard Level User Charge	28,933,674	29,916,249	31,488,232	1,571,983	17-7
C. Reimbursement to Department of Defense for World-Wide Postal Services	848,346	848,346	927,346	79,000	17-9
Total, Direct Obligations (Comparative Basis)	53,266,020	56,483,595	59,876,600	3,393,005	
D. Add Comparative Transfer from Department of State for Administrative Support	--	20,634,000	--	-20,634,000	
Total, Direct Obligations as Enacted and Requested	53,266,020	77,117,595	59,876,600	-17,240,995	

a/ For comparative purposes, excludes $20,634,000 for building operating expenses and other administrative support costs formerly budgeted by the Department of State which were transferred in 1990 to the budgets of USIA and other participating agencies. In 1991, the Administration proposes that these costs be covered by the Department of State's budget.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

A. Reimbursement to the Department of State (1989 Actual, $23,484,000; 1990 Estimate, $25,719,000; 1991 Estimate, $27,461,022; Increase, $1,742,022).

The Department of State provides administrative support services for USIA's and other agencies' operations overseas. The Department is reimbursed for the distributed administrative support (DAS) portion of most of these services by participating agencies under the Foreign Affairs Administrative Support System (FAAS). DAS represents those added costs for additional positions and administrative services necessary to bring the Department's administrative resources to the level which -- when combined with the Department's personnel and other administrative "CORE" capability for its own traditional functions -- enables it to provide administrative servicing required by other agencies operating abroad. USIA and other participating agencies are billed for their appropriate share of the DAS costs.

Support services provided by the Department fall into three categories: (1) the full range of administrative services for the Agency's overseas mission posts, radio relay stations, radio program centers, and other overseas regional support operations; (2) services in the United States which support the Agency's overseas operations, including communications between the Agency and its overseas posts, medical services, family liaison services and regional finance centers, plus the home leave and transfer costs of DAS American personnel; and (3) services in support of Agency operations in the United States including Foreign Service Retirement administration, health room and translation services.

In response to the direction of the House Appropriations Subcommittee on Commerce, Justice, and State, the Judiciary, and related Agencies, State expanded the FAAS system in 1990 and required USIA and other participating agencies to budget for the following additional Distributed Administrative Support items that were previously financed from funds appropriated to the Department: upkeep of government-owned and long-term leased properties, post information systems, post motor vehicle replacement, domestic medical programs, the regional administrative management center in Mexico City, and telegraphic communication and pouch services.

In 1990, assuming that Section 614 of the 1990 Appropriations Act is repealed or modified, the Agency will reimburse the Department an additional $20,634,000 to meet its share of these additional FAAS administrative services. In 1991, it has been decided that the Department will resume budgeting for these services. Therefore, the 1990 costs of $20,634,000 have been dropped from the Agency's 1991 budget request and will be covered by the Department's request. For comparative purposes, the additional 1990 costs of $20,634,000 have been excluded from the reimbursements to State displayed in this section of the budget document.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

Summary of Requirements

	1989 Actual	1990 Estimate a/	1991 Estimate	Increase or Decrease (-)
Administrative Support Category:				
At Overseas Posts	$20,160,099	$22,046,162	$23,575,148	$1,528,986
In the U.S., Overseas Operations	3,244,859	3,588,963	3,800,654	211,691
In the U.S., Agency Operations	79,042	83,875	85,220	1,345
Total, Direct Funds	23,484,000	25,719,000	27,461,022	1,742,022

Explanation of Requirements

1. At Overseas Posts (1989 Actual, $20,160,099; 1990 Estimate, $22,046,162; 1991 Estimate, $23,575,148; Increase, $1,528,986).

Activity	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Overseas Mission Operations:				
East Asia and Pacific	$ 2,057,825	$ 2,161,508	$ 2,278,081	$ 116,573
Africa	3,951,397	4,224,161	4,542,322	318,161
North Africa, Near East and South Asia	3,479,048	3,718,270	3,919,174	200,904
American Republics	2,001,674	2,153,087	2,297,214	144,127
West Europe	5,356,380	5,686,850	6,057,405	370,555
Soviet Union and East Europe	2,305,890	3,034,123	3,339,369	305,246
Sub-total, Overseas Mission Operations	19,152,214	20,977,999	22,433,565	1,455,566
b. Radio Installations	772,458	819,476	879,934	60,458
c. Other Regional Support	235,427	248,687	261,649	12,962
Total, Overseas Support	20,160,039	22,046,162	23,575,148	1,528,986

---

a/ For comparative purposes, excludes $20,634,000 for building operating expenses and other administrative support costs formerly budgeted by the Department of State which were transferred in 1990 to the budgets of USIA and other participating agencies. In 1991, the Administration proposes that these costs be covered by the Department of State's budget.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

A net increase of $1,528,986 is requested in 1991 to provide $736,758 for foreign national employee wage scale increases and $717,538 for cost increases for administrative services and materials which the Department of State provides the Agency overseas. Other increases are requested to provide $91,363 for within-grade increases for foreign national employees of the Department; $17,513 for full-year costs of the Federal pay raises effective for part of 1990 and $43,300 for an across-the-board 3 1/2 percent Federal pay raise scheduled for 1991; and $38,514 for one extra day's pay in 1991. These increases are partially offset by programmatic reductions necessitated by the overall limitation imposed on the Agency's budget. These include full-year savings of $54,000 resulting from a program cut implemented in 1990 reducing the USIS presence in Sudan and savings of $62,000 related to reductions of European Area regional services in Paris in 1991.

Explanation of Requirements

	Overseas Increases		Within-Grade	Program	Other	Total
	Wage	Cost	Salary Increases	Cuts	Changes	Requirements
East Asia and Pacific	$ 48,137	$ 50,137	$ 4,797	$ --	$13,502	$ 116,573
Africa	90,160	199,874	8,845	--	19,282	318,161
North Africa, Near East and South Asia ..	116,702	107,684	11,638	--	-35,120	200,904
American Republics	69,479	61,415	4,470	--	8,763	144,127
West Europe	278,485	90,575	41,080	-62,000	22,415	370,555
Soviet Union and East Europe	95,902	184,290	14,960	--	10,094	305,246
Radio Installations	31,129	19,803	4,668	--	4,858	60,453
Other Regional Support	6,764	3,760	905	--	1,533	12,962
Total	736,758	717,528	91,363	-62,000	45,327	1,528,986

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

2. In the U.S., Overseas Operations (1989 Actual, $3,244,859; 1990 Estimate, $3,588,963; 1991 Estimate, $3,800,654; Increase, $211,691).

These estimates provide for Department of State costs against central accounts, primarily for costs in the U.S. for support to the overseas distributed administrative support program of the Department; and support to Agency operations overseas. The following items are included:

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Regional Finance Centers	$ 784,776	$ 831,863	$ 881,000	$ 49,137
b. Communication Costs	2,098,254	2,373,653	2,513,900	140,247
c. Shared Staff Home Leave and Transfer Costs	138,270	146,566	155,376	8,810
d. Medical Costs	203,559	216,881	230,378	13,497
e. Family Liaison Operations	20,000	20,000	20,000	--
Total	3,244,859	3,588,963	3,800,654	211,691

The net increase of $211,691 in 1991 is requested to provide for price_increases for the Regional Administrative Management Centers in Bangkok and Paris, and increases in air fare and shipping costs, communication costs, and medical expenses.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

3. In the U.S., Agency Operations (1989 Actual, $79,042; 1990 Estimate, $83,875; 1991 Estimate, $85,220; Increase, $1,345).

This item covers the Department of State's costs incurred against Washington accounts for distributed administrative support provided for Agency operations in the United States. The following services are included in the estimates:

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
a. Retirement Administration	$25,757	$27,302	$27,848	$ 546
b. Health Room	33,571	34,477	35,276	799
c. Translation Services	19,714	22,096	22,096	--
Total	79,042	83,875	85,220	1,345

The net increase of $1,345 is requested to provide for cost increases in ongoing services anticipated in FY 1991.

B. Reimbursement to General Services Administration (1989 Actual, $28,933,674; 1990 Estimate, $29,916,249; 1991 Estimate, $31,488,232; Increase, $1,571,983).

The Agency reimburses the General Services Administration under the Federal Building Fund Rent System for space and for standard levels of service provided in Agency occupied buildings under the control of the Administrator of General Services. The basic rent rate, which covers a five-day week, one shift operation, varies from building to building and approximates commercial charges for equivalent office space, storage space and special space, such as studios for the Voice of America and the Agency's automatic data processing center. The rate also covers basic security, cleaning, heating and air conditioning, and maintenance and repair of all mechanical and electrical equipment.

In addition to the basic rent charges, these estimates cover fees to be paid to GSA for services supplied to Agency operations that extend beyond the normal 40-hour week (e.g., Voice of America, Operations Center, Wireless File) and other special services. The rates established for each type of space in a building are based on the geographic location and the quality rating of that building. The 1991 estimate of $31,488,232 is requested to provide space and services at the following locations for Agency personnel and facilities.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

Name of Building	Location	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
1. Washington Locations					
USIA Building	301 4th Street, S.W.	$ 9,201,783	$ 9,378,819	$ 9,834,701	$ 455,882
Cohen Building	4th and C Street, S.W.	10,901,223	11,549,350	12,144,462	595,112
HHS South	3rd and C Street, S.W.	1,156,817	1,378,381	1,445,972	67,591
Patrick Henry Building ...	6th and D Street, N.W.	4,066,528	3,804,202	4,048,617	244,415
National Press Building ..	14th and F Streets, N.W.	360,480	362,741	380,623	17,882
Donohoe Building	400 6th Street, S.W.	585,133	798,289	837,166	38,877
NASSIF	400 7th Street, S.W.	150,556	153,620	161,185	7,565
Bicentennial Building	600 E Streets, N.W.	31,731	32,414	33,993	1,579
Agency Warehouse	4801 Beech Pl., Temple Hills	284,273	283,681	300,126	16,445
Sub-total, Washington		26,738,524	27,741,497	29,186,845	1,445,348
2. New York Locations					
Internat'l Arrival Bldg. .	JFK International Airport	9,189	9,392	9,830	438
Federal Buildings 1&2	29th and 3rd Avenue	695,786	690,782	728,284	37,502
1414 Avenue of Americas ..	1414 Avenue of Americas	195,344	188,247	197,023	8,776
Jacob K. Javits Building .	26 Federal Plaza	528,710	541,310	565,314	24,004
110 East 59th Street	110 East 59th Street	410,541	422,842	462,315	39,473
Sub-total, New York		1,839,570	1,852,573	1,962,766	110,193
3. Other Locations in the U.S.					
Five Locations		355,580	322,179	338,621	16,442
Total		28,933,674	29,916,249	31,488,232	1,571,983

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

The net increase of $1,571,983 is requested to provide $1,485,745 for rate increases in the cost of rent, utilities and other services as estimated by GSA; and $86,238 for full-year costs of space adjustments in 1990 primarily for the Television and Film Service and USIA's Computer Center.

C. Reimbursement to the Department of Defense (1989 Actual, $848,346; 1990 Estimate, $848,346; 1991 Estimate, $927,346; Increase, $79,000).

The Agency reimburses the Department of Defense for transportation costs associated with postal services provided to Agency personnel and their dependents abroad, based on world-wide postal services surveys. The increase of $79,000 in 1991 is requested to offset inflationary increases.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements	$150,040,000	$154,330,000 a/	$154,330,000	$ --

General Statement

This appropriation provides funding for selective programs authorized by the Mutual Educational and Cultural Exchange Act of 1961, as amended, including academic exchanges and grants for foreign leaders and professionals to make short-term visits to the United States. It also provides for Hubert H. Humphrey Fellowships to foreign national mid-career professionals and for the Congress-Bundestag Exchange Program initiated in 1984. USIA operates a variety of cooperative programs with the private sector designed to accomplish mutual objectives in public diplomacy and international relations. It also arranges special programs for selected foreign individuals and groups visiting the United States under other than U.S. Government sponsorship. The staff and support to administer these exchanges, as well as other exchanges and exchange-related activities (i.e., international youth exchange, Board of Foreign Scholarships, student support, studies of the U.S., Arts America exchange, and libraries, reading rooms, cultural centers and related resources) are funded from the Agency's Salaries and Expenses (S&E) appropriation.

The dramatic and historic changes in Eastern Europe and the Soviet Union have led to significant increased exchange opportunities. For years there have been intergovernmental agreements with those countries which outlined the kinds of exchange and the number of students and scholars who would participate. Those agreements remained largely unfulfilled until last year, because the East European governments were either unwilling or unable to send or accept participants. That situation has changed dramatically and we are now facing a situation where those countries would actually like to exchange even more people than the agreements stipulate. In order to meet the minimum commitments contained in these intergovernmental agreements, including concomitant annual stipend increases, Fulbright academic exchanges have been increased by $2,426,000.

The President's Eastern European Initiative seeks to support reform in Eastern Europe and the growth of political and economic pluralism. Exchange activities play an important role in this endeavor and a variety of new projects are underway. These include post-doctoral law study grants to focus on the rule of law; management fellowships to place young managers in business schools for special advanced training; media internships to assist journalists in the development of Western journalistic practices; establishment of a management academic program to help train managors and entrepreneurs; and establishment of an American studies program to emphasize U. S. legislative and judicial institutions. Although the major

---

a/ Excludes $2,176,000 sequestered pursuant to the Balance Budget and Emergency Deficit Control Act of 1985 and a technical adjustment of $3,794,000 to conform the amount contained in the 1990 appropriations Act ($160,300,000) to the amounts approved in Conference Reports 101-299 and 101-332.

focus is on Poland and Hungary, programs do include participants from Czechoslovakia, East Germany, Romania and Bulgaria. It is estimated that $1,650,000 will be provided for the Eastern European Initiative in 1990 and 1991. In addition, it is anticipated that funds will be made available by the Agency for International Development pursuant to the provisions of the Support for East European Democracy (SEED) Act of 1989.

In 1989, the Bureau of Educational and Cultural Affairs carried out youth and undergraduate exchanges with the USSR and Eastern Europe under the Samantha Smith Memorial Exchange Program. The Bureau awarded 49 grants, totalling slightly more than $3 million, to U.S. educational and not-for-profit exchange organizations under the Program. Grantees included well-known exchange organizations (such as the American Council of Teachers of Russian), individual high schools and universities or consortia of the same (e.g., Brooks School, Indiana University, American Collegiate Consortium, etc.), youth exchange organizations (e.g., Samantha Smith Foundation, Open Door Student Exchange, etc.), and youth service organizations interested in beginning exchanges with the Soviet Union and Eastern Europe (e.g., YMCA, Youth Network Council, Eugene O'Neill Theater Exchange, etc.). The projects supported included both academic and non-academic exchanges of young people and students for periods ranging from four weeks to a full academic year. High school to high school and college to college exchanges, joint programs in the fields of music, cultural and artistic conservation and preservation, theater, environmental affairs, camping, agriculture and governmental affairs represent some of the initiatives supported by the Bureau under the competition.

In 1990 and 1991, the Bureau will continue to support projects involving the exchange of young people and undergraduates under the Samantha Smith Memorial Exchange Program. USIA has published a Federal Register Announcement inviting applications from U.S. institutions for funding under the program. Final decisions on awards will be made in May 1990. In addition to the awards made through this competitive process, we will also award selected grants, consistent with Bureau guidelines, to institutions engaged in programs developed as a result of bilateral discussions.

The Tax Reform Act of 1986 continues to have a major negative impact on the Fulbright Program. It is estimated that the income taxes on student grants and the cost of withholding the taxes on all academic grants will reduce the resources available for grants by about $2,000,000 in 1990 and 1991. The Agency does not provide income tax offsets for Foreign and American scholar grants and for American graduate grants. While grantees from countries which have tax treaties with the U.S. are exempt from tax liability, the grantees from developing countries are most severely affected because there are few tax treaties with these countries and the grantees tend to have fewer other sources of funding to make up for the tax withholding. A survey of USIS posts indicated that eighty-six governments do not tax the fellowship or scholarship of a visiting scholar or student. The Internal Revenue Service provided some relief on the withholding requirement by ruling that withholding may be adjusted to the approximate level of actual tax liability. The statutory withholding rates for visiting scholars who qualify as non-resident aliens for tax purposes are 30% for grants to lecturers and 14% for grants to research scholars and students. The actual tax liability is estimated to be about 7% for students and 14% for scholars.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

In 1991 a total of $154,330,000 is requested for the Educational and Cultural Exchange Program, the same amount available in 1990. Within this total, we must provide $6,899,000 for inflationary costs increases. This absorption will require offsets totalling $4,376,000 in Academic Programs ($2,888,000), International Visitors ($1,278,000) and Private Sector Programs ($210,000); non-recurring costs of $1,002,000 for the Institute for Representative Government (IRG) ($532,000) and the Teacher, Text and Technology (TTT) project ($470,000); and a reduction of $1,521,000 in appropriated funds due to increased application of prior year balances.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Summary of Fund Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
I. FUNDS					
A. Academic & International Visitor Exchanges:					
1. Academic Exchanges (other than CAMPUS)..	$113,365,233	$116,508,642	$117,739,634	$1,230,992	5
2. Central American Program for Undergraduate Students (CAMPUS).........	3,217,690	3,245,000	3,187,008	-57,992	5
3. International Visitor Exchanges	40,439,919	42,307,200	42,866,200	559,000	5
Subtotal, Academic and IV Exchanges...	157,022,842	162,060,842	163,792,842	1,732,000	
B. Hubert H. Humphrey Fellowships	5,000,000	5,123,000	5,328,000	205,000	42
C. Congress-Bundestag Youth Exchange	2,500,000	2,465,000	2,465,000	--	42
D. Institute for Representative Government ...	540,000	532,000	--	-532,000	43
E. Private Sector Programs	9,399,000	9,089,000	9,205,000	116,000	43
Total, Gross Funds	174,461,842	179,269,842	180,790,842	1,521,000	
F. Deduct:					
1. Foreign Government Contributions	-18,527,842	-18,527,842	-18,527,842	--	
2. Reimbursements	-6,196,000	-6,196,000	-6,196,000	--	
Total, Direct Funds	149,738,000	154,546,000	156,067,000	1,521,000	
G. Reconciliation to appropriation:					
Deduct Balances Carried In	-1,651,000	-1,953,000	-1,737,000	216,000	
Add Balances Carried Out	1,953,000	1,737,000	--	-1,737,000	
Enacted and Estimated Appropriations ...	150,040,000	154,330,000	154,330,000	--	

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Explanation of Requirements

I. FUNDS

A. Academic and International Visitor Exchanges (1989 Actual, $157,022,842; 1990 Estimate, $162,060,842; 1991 Estimate, $163,792,842; Increase, $1,732,000).

This section covers the basic exchange-of-persons program authorized by the Mutual Educational and Cultural Exchange Act of 1961. It includes academic exchanges of American and foreign graduate students, teachers, scholars and specialists, and grants for foreign leaders and professionals who make short-term visits to the United States. In addition to grants to individuals, it includes related support services and facilitative programs which enhance and supplement existing public and private efforts in the field of international educational and cultural exchanges. It also includes the exchanges of young people with the Soviet Union and Eastern Europe established as a memorial to Samantha Smith, as well as increased exchange activities to implement the President's Initiative in Eastern Europe. The estimates reflect, in addition to funds requested in this appropriation, foreign government contributions to cost sharing agreements and reimbursements from other government agencies. In addition, at the end of 1989, there were $4,521,792 in Binational Commission reserves carried into 1990. All funds related to these programs are distributed to the appropriate geographic area and, to the extent possible, to countries within each area. The total program requested for 1991 is $163,792,842. This consists of $139,374,000 of new budget authority requested under this appropriation; $5,891,000 in reimbursements; and $18,527,842 in anticipated contributions from foreign governments.

The 1991 appropriation request of $139,374,000 represents an increase of $1,732,000 from the amount available in 1990. This increase results from mandatory cost increases in 1991 of $6,368,000 offset by absorption of $4,166,000 and the nonrecurring costs of $470,000 for the Teacher, Text and Technology program.

A worldwide summary of the program requirements for each geographic area and a summary by country follows:

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Academic and International Visitor Program Summary

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
1. Academic Exchanges (Other than CAMPUS):								
East Asia and Pacific	457	14,965,331	425	15,149,448	409	15,275,102	(16)	125,654
Africa	222	10,315,497	214	9,983,051	173	9,618,699	(41)	(364,352)
North Africa, Near East & South Asia ..	466	10,909,701	432	10,697,775	432	10,826,888	--	129,113
American Republics	879	21,768,701	813	21,722,218	790	22,063,649	(23)	341,431
West Europe	1,910	35,226,322	1,795	36,242,710	1,765	36,597,006	(30)	354,296
Soviet Union and East Europe	3,135	12,435,759	2,252	14,959,400	2,252	15,604,250	--	644,850
Worldwide Programs	--	7,743,922	--	7,754,040	--	7,754,040	--	--
Total	7,069	113,365,233	5,931	116,508,642	5,821	117,739,634	(110)	1,230,992
Deduct Foreign Government Contributions ...	--	(18,527,842)	--	(18,527,842)	--	(18,527,842)	--	--
Total, U.S. Government Funds	7,069	94,837,391	5,931	97,980,800	5,821	99,211,792	(110)	1,230,992
Deduct Reimbursements	--	(5,663,000)	--	(5,663,000)	--	(5,663,000)	--	--
Total, Academic Exchanges	7,069	89,174,391	5,931	92,317,800	5,821	93,548,792	(110)	1,230,992
2. Central America Program for Undergraduate Students (CAMPUS)	77	3,217,690	70	3,245,000	62	3,187,008	(8)	(57,992)
3. International Visitor Exchanges:								
East Asia and Pacific	332	5,625,868	334	5,815,650	322	5,894,053	(12)	78,403
Africa	455	9,028,624	463	9,271,861	443	9,389,678	(20)	117,817
North Africa, Near East & South Asia ..	448	7,393,945	448	7,634,140	432	7,738,722	(16)	104,582
American Republics	500	7,777,760	500	7,986,230	483	8,099,916	(17)	113,686
West Europe	496	7,633,382	496	8,009,363	480	8,120,757	(16)	111,394
Soviet Union and East Europe	190	2,980,340	237	3,589,956	241	3,623,074	4	33,118
Total	2,421	40,439,919	2,478	42,307,200	2,401	42,866,200	(77)	559,000
Deduct Reimbursements	--	(228,000)	--	(228,000)	--	(228,000)	--	--
Total, Internat'l Visitor Exchanges .	2,421	40,211,919	2,478	42,079,200	2,401	42,638,200	(77)	559,000
Total, Direct Funds, Academic and International Visitor Exchanges	9,567	132,604,000	8,479	137,642,000	8,284	139,374,000	(195)	1,732,000

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

EAST ASIA AND PACIFIC

Summary of Requirements	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Total Program	$20,591,199	$20,965,098	$21,169,155	$204,057
Deduct: Contributions, Reimbursements	-3,982,746	-3,982,746	-3,982,746	--
Direct Obligations	16,608,453	16,982,352	17,186,409	204,057

General Statement

The Agency conducts programs in 16 countries and territories in the East Asia and Pacific area. A listing of the first eight countries in alphabetical order (Australia, Brunei, Burma, People's Republic of China, Fiji, Hong Kong, Indonesia and Japan) suggests the breadth of differences among the cultures, economies and political systems of the area. Because of these differences, the Agency employs a variety of exchange activities and operating methods in the area.

The general climate for academic exchanges in Asia is expansive and dynamic. Worldwide, nearly half of the students studying abroad are Asians. In American universities, Asians make up 52% of the foreign students. The recent decline in students coming to the U.S. from Latin America and the Middle East has been offset by the increase in students from Asia, particularly from China, Japan and Southeast Asia. Over half of the Asians here are graduate students. Indigenous undergraduate programs have expanded and strengthened in the region, with Asian students gravitating to practical fiel[illegible] such as business (20%), engineering (20%), and computer-related math and physical science programs (20%). Declines [illegible] proportion (albeit with an increase in absolute numbers) occurred in the humanities, social sciences and the fine [illegible]

In terms of academic exchange, East Asia consists of five distinct sub-regions: (1) Japan and the newly industrialized countries of Korea and Taiwan; (2) China, including Hong Kong; (3) Southeast Asia, especially the ASEAN group; (4) Australia and New Zealand; and (5) the Pacific Islands. A special Tibet Scholarship Program, initiated in 1988, provided 15 grants for Tibetan students living in India and Nepal for study in the United States in such fields as contemporary history, economics, public administration, and international relations.

The government of Japan is making strong efforts to internationalize its higher education system. The strong yen and weak dollar continue to encourage Japanese students to study abroad, with many coming to the United States. The Japanese government is considering a twelve percent increase in funding for the Fulbright program. Although thousands of Chinese students continue to arrive in the U.S. for study at American universities, the Fulbright grantees will continue their activities in China and senior Chinese research scholars will continue to come to the United States. Fulbright grants funded through the National Academy of Sciences will remain much the same as in past years.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

In Southeast Asia, Thailand, Malaysia, Singapore, Indonesia, and the Philippines have a strong interest in developing their higher education systems. The Fulbright program in Thailand has great prestige and strong alumni support. Thai universities are open to foreign ideas and foreign scholars. In 1989, for the first time, the Thai government made a direct contribution to the Fulbright program of $30,000. This is expected to be the beginning of an annual contribution from the Thai government. In the Philippines, the Fulbright Commission is highly respected and its successful work is officially acknowledged by the highest offices in the country. American cultural connections dating from the colonial period are deep, but ambivalent. The indigenous higher education system is large, decentralized, and of very mixed quality.

Malaysia continues to support scholarships for Malaysian students to study abroad, spending more on foreign scholarships than on their whole indigenous higher education system. The Malaysian university system has recently adopted many American features and continues to experiment. The country's volatile ethnic and cultural issues have been under reasonable control due to an expanding economy, but economic and social issues still affect the types of exchanges the Fulbright Commission can pursue. In Indonesia, the establishment two years ago of a Fulbright Foundation with a binational board of directors has benefited the program. The Indonesian board members helped American grantees with such matters as visas and research permits, and Fulbright alumni throughout the country were used to support grant nominations and cultural programming.

The recent volatile change in political leadership in Burma has forced the program to discontinue the selection of new grantees. However, the program continues to fund those Burmese grantees in the U.S. completing their degree programs. Vietnam and Cambodia also remain closed to the Fulbright Program, but the program opened in Laos in 1988 and continued in 1989. Americans are now being accepted in Laos and Lao grantees are permitted to study in the United States.

The universities in Australia and New Zealand greatly value linkages and exchanges with the U.S. to keep themselves current in the disciplines. The Australian Fulbright Commission has refocused its program to address bilateral issues of broader interest, with the hope that this will produce more cost-sharing from individual institutions and the Government of Australia. Both commissions have managed to gain recognition of their programs at the very highest levels of the host government. The Australian Commission is involved in active fund-raising through its Board of Directors and its newly established Alumni Association.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

The small, but strategically important, newly-founded Pacific Island nation-states are undergoing rapid socioeconomic changes. This is prompting serious questioning of traditional political and cultural affiliations. Many students from these mini-nations with small populations are forced to go off-island to study, frequently enrolling in university programs in Australia or New Zealand. The University of the South Pacific in Fiji has been the major institution in the area, but it is suffering from a shortage of staff caused by the change in political leadership of the island. Despite this, the USP is expected to continue its role as the key academic institution for Pacific Island students.

Most posts in the East Asia and Pacific area have made it clear that the International Visitor Program is their most valuable tool in communicating with important sectors of the host society. Former grantees comprise a body of opinion makers who are knowledgeable about the United States, and who remain important Embassy contacts regardless of the state of U.S. relations with that particular country. Posts have found that in most cases, a permanent bond has been formed. Agency programs in the People's Republic of China suffered a setback due to the Chinese Government's intense reaction to the Democracy Movement; nevertheless, USIS Beijing believes that the International Visitor Program is now more vital than ever because it allows mid-level officials and other leaders to see life in the U.S. first-hand and return home with a realistic view of a working democracy fixed in their minds. IV programs in Laos and Mongolia were initiated in 1989 and are proceeding smoothly.

The net increase of $204,057 results from mandatory price increases of $830,856 partially offset by absorption of $626,799.

EAST ASIA AND PACIFIC

Academic Exchanges

	1989 ACTUAL				1990 ESTIMATE				1991 ESTIMATE				INCREASE OR DECREASE (-)	
	No. of Grants				No. of Grants				No. of Grants					
	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	No. of Grants	Funds
Australia	29	25	54	1,011,158	26	39	65	1,416,743	25	39	64	1,427,773	(1)	11,030
Burma	2	--	2	118,347	--	--	--	--	--	--	--	--	--	--
China, People's Republic of ..	15	23	38	1,307,184	18	21	39	1,210,503	14	21	35	1,216,162	(4)	5,659
Fiji	1	3	4	182,270	2	2	4	124,762	2	2	4	125,175	--	413
Hong Kong	--	2	2	79,162	--	2	2	90,308	--	2	2	90,750	--	442
Indonesia	20	11	31	975,107	15	9	24	950,826	13	9	22	957,311	(2)	6,485
Japan	65	32	97	4,020,212	34	45	79	3,811,992	33	45	78	3,830,913	(1)	18,921
Korea	23	14	37	1,192,529	23	18	41	1,273,125	22	18	40	1,281,378	(1)	8,253
Laos	2	--	2	80,000	2	2	4	90,000	2	2	4	90,192	--	192
Malaysia	6	6	12	431,433	5	6	11	452,545	5	6	11	454,976	--	2,431
New Zealand	28	27	55	525,035	24	18	42	711,358	23	18	41	719,265	(1)	7,907
Pacific Islands	--	2	2	91,036	--	2	2	75,308	--	2	2	75,750	--	442
Papua/New Guinea	1	3	4	154,115	1	2	3	89,085	1	2	3	89,623	--	538
Philippines	11	9	20	748,620	14	3	17	544,292	13	3	16	545,444	(1)	1,152
Singapore	2	3	5	123,057	6	2	8	175,570	6	2	8	176,867	--	1,297
Thailand	15	11	26	676,987	11	8	19	632,971	9	8	17	637,400	(2)	4,429
Tibetan Scholarships	15	--	15	248,364	15	--	15	288,655	13	--	13	287,011	(2)	(1,644)
Tonga	--	1	1	38,591	--	--	--	--	--	--	--	--	--	--
Regional	21	29	50	745,698	21	29	50	1,037,505	20	29	49	1,049,212	(1)	11,707
S/T, Grantee Costs	256	201	457	12,748,905	217	208	425	12,975,548	201	208	409	13,055,202	(16)	79,654
Cooperation with Private Institutions	--	--	--	641,763	--	--	--	642,000	--	--	--	642,000	--	--
Other Program Expenses:														
Contract Agency Costs	--	--	--	1,184,659	--	--	--	1,150,000	--	--	--	1,196,000	--	46,000
Program Support Costs	--	--	--	118,800	--	--	--	178,000	--	--	--	178,000	--	--
Other Academic Expenses	--	--	--	271,204	--	--	--	203,900	--	--	--	203,900	--	--
S/T, Other Prog Expenses..	--	--	--	1,574,663	--	--	--	1,531,900	--	--	--	1,577,900	--	46,000
Total	256	201	457	14,965,331	217	208	425	15,149,448	201	208	409	15,275,102	(16)	125,654
Deduct Foreign Government Contributions	xxx	xxx	xxx	(3,623,480)	xxx	xxx	xxx	(3,623,480)	xxx	xxx	xxx	(3,623,480)	xxx	--
Total, USG Funds	xxx	xxx	xxx	11,341,851	xxx	xxx	xxx	11,525,968	xxx	xxx	xxx	11,651,622	xxx	125,654
Deduct Reimbursements	xxx	xxx	xxx	(328,000)	xxx	xxx	xxx	(328,000)	xxx	xxx	xxx	(328,000)	xxx	--
Total, Direct Obligations	xxx	xxx	xxx	11,013,851	xxx	xxx	xxx	11,197,968	xxx	xxx	xxx	11,323,622	xxx	125,654

EAST ASIA AND PACIFIC
International Visitors

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Australia	19	158,001	19	147,092	18	151,475	(1)	4,383
Brunei	1	7,794	2	15,754	2	16,241	--	487
Burma	--	--	2	16,414	2	16,901	--	487
China, People's Republic of	56	339,398	36	263,280	35	271,802	(1)	8,522
Fiji	9	59,032	9	62,163	9	64,354	--	2,191
Hong Kong	9	50,326	15	91,134	15	94,786	--	3,652
Indonesia	29	225,638	26	222,596	25	228,683	(1)	6,087
Japan	58	331,326	46	334,090	44	344,805	(2)	10,715
Korea	29	210,645	26	199,569	25	205,656	(1)	6,087
Laos	2	13,616	4	28,100	4	29,074	--	974
Malaysia	16	111,364	16	129,206	15	132,858	(1)	3,652
Mongolia	2	16,550	2	16,114	2	16,601	--	487
New Zealand	18	146,847	16	140,171	15	143,823	(1)	3,652
Pacific Islands	7	52,957	6	47,256	6	48,717	--	1,461
Papua/New Guinea	7	62,401	7	66,669	7	68,373	--	1,704
Philippines	38	274,006	36	272,990	35	281,512	(1)	8,522
Singapore	10	80,692	8	68,376	8	70,324	--	1,948
Thailand	22	161,757	18	139,545	17	143,684	(1)	4,139
Regional	--	--	40	186,113	38	195,366	(2)	9,253
Total, Grant Programs	332	2,302,350	334	2,446,632	322	2,525,035	(12)	78,403
Other Program Expenses								
Contract Agency Costs	--	1,318,820	--	1,364,320	--	1,364,320	--	--
Escort Interpreter Costs	--	1,375,882	--	1,375,882	--	1,375,882	--	--
Group Project Costs	--	248,382	--	248,382	--	248,382	--	--
Non-Sponsored Visitor Programs	--	184,715	--	184,715	--	184,715	--	--
Program Support Costs	--	74,575	--	74,575	--	74,575	--	--
Other Program Expenses	--	121,144	--	121,144	--	121,144	--	--
Total, Other Program Expenses	--	3,323,518	--	3,369,018	--	3,369,018	--	--
Total, Exchanges	332	5,625,868	334	5,815,650	322	5,894,053	(12)	78,403
Deduct Reimbursements	--	(31,266)	--	(31,266)	--	(31,266)	--	--
Total, Direct Obligations	332	5,594,602	334	5,784,384	322	5,862,787	(12)	78,403

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

AFRICA

Summary of Requirements	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Total Program	$19,344,121	$19,254,912	$19,008,377	$-246,535
Deduct: Contributions, Reimbursements	- 42,850	- 42,850	- 42,850	—
Direct Obligations	19,301,271	19,212,062	18,965,527	-246,535

General Statement

The Agency conducts exchange programs with 42 Sub-Saharan African countries, including the island countries of Madagascar, Mauritius, Cape Verde, Sao Tome and Principe. This number will increase to 43 with the independence of Namibia in 1990. Traditionally, programs have been concentrated in countries whose strategic location, size and/or influence make them important to U.S. foreign policy objectives. These include Nigeria, Liberia, Senegal and Ghana (in West Africa), Somalia and Ethiopia (on the Horn of Africa), Kenya and Tanzania (in East Africa), Zaire (in Central Africa), and Zambia, Zimbabwe and South Africa (in Southern Africa). In all but one country, academic exchange programs are administered by USIA posts. Only Liberia has a Fulbright binational foundation.

Most Americans and Africans know little about one another or are inclined toward stereotyped views. Academic exchange programs with Africa have the primary goal of increasing mutual understanding between the U.S. and African countries. The in-depth experience of living, working, and studying in another society builds an understanding among academic scholars who can then influence many others. In addition, academic exchange programs not only benefit individuals, but also U.S. and African universities through faculty development, the strengthening of existing programs and introduction of new ones, and increasing the capacity for research and publication.

In recent years, the number of quality African and American candidates has risen to far exceed the number of grants available. Only in the U.S. Lecturers Program is it difficult to recruit enough qualified candidates because grant benefits are not sufficient to fully meet family needs at home and abroad. Because of the funding exigencies, priority has been given to African graduate students, most of whom return to university lecturing positions at home. The U.S. Lecturers Program is second in priority, followed by African Senior Research Scholars. Funding also has been provided for the training of African teachers of English due to the importance of English in our bilateral relations.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Academic programs are especially important in those countries where official relations have been strained because of policy differences (e.g., Ethiopia and Ghana) or where aid programs are limited by law (e.g., Nigeria and Gabon). Academic exchanges are especially valued throughout Africa, because they serve mutual understanding and manpower development interests without heavy political overtones. Moreover, being administered by our posts and embassies, they effectively demonstrate the interest and friendship of the U.S. Government.

Educational programs are a tool to accomplish the U.S. Government's commitment to a peaceful transition to a more democratic South Africa. Two programs in particular address urgent needs in South Africa. One trains black South African lawyers to become more effective attorneys and advocates, while another invites 25 teachers to participate each year in a seven-week English Teaching Summer Institute in an effort to counteract the decline of English teaching in predominantly black schools in South Africa.

Many African countries contribute in some way to academic exchanges, although in recent years the deterioration in local economic conditions has forced several host countries to withdraw university supplied housing and local salary supplements. Some countries pay part of the travel costs of either U.S. lecturers or their own grantees coming to the U.S. The Agency's post in South Africa gets enough local support to double the number of grants offered to South African students.

Agency Public Affairs Officers in Africa believe the International Visitor Program is one of the most effective tools they have to address their objective of familiarizing current and future African leaders with the U.S., particularly in countries undergoing their own political and economic restructuring. In Africa's newest nation, Namibia, the IV program can broaden horizons, demonstrate alternative models, and provide contacts for cooperation between U.S. and Namibian leaders and institutions during the critical early stages of independence. Throughout Africa, such issues as the promotion of free enterprise and entrepreneurship are the focus of many IV programs as African nations turn away from unsuccessful development models. Additionally, single-country projects which mix South African leaders--black and white--have had the spin-off benefit of promoting dialogue among South Africans as well as between them and their U.S. counterparts.

The net decrease of $246,535 results from a 1991 programmatic adjustment of $715,810 and nonrecurring costs of $470,000 for the Teacher, Text and Technology Program, partially offset by price increases of $939,275.

AFRICA

Academic Exchanges

	1989 ACTUAL				1990 ESTIMATE				1991 ESTIMATE				INCREASE OR DECREASE (-)	
	No. of Grants				No. of Grants				No. of Grants					
	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	No. of Grants	Funds
Benin	1	--	1	70,837	1	--	1	106,522	1	--	1	107,898	--	1,376
Botswana	1	--	1	55,282	1	--	1	51,014	1	--	1	52,048	--	1,034
Burkina Faso	1	--	1	51,473	1	--	1	86,931	1	--	1	88,193	--	1,262
Burundi	2	1	3	69,901	2	1	3	119,425	2	1	3	105,379	--	(14,046)
Cameroon	2	--	2	130,555	2	--	2	108,559	2	--	2	109,627	--	1,068
Cape Verde	--	1	1	11,228	--	1	1	11,850	--	1	1	11,964	--	114
Central African Republic	--	--	--	8,570	--	--	--	22,356	--	0	0	23,470	--	1,114
Congo (Brazzaville)	--	1	1	56,238	--	1	1	75,982	--	1	1	77,552	--	1,570
Djibouti	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Ethiopia	2	--	2	162,720	2	--	2	195,218	2	--	2	198,970	--	3,752
Gabon	2	--	2	55,430	1	--	1	60,810	1	--	1	61,958	--	1,148
Ghana	2	3	5	148,424	2	3	5	113,708	2	3	5	115,004	--	1,296
Guinea	--	1	1	95,504	--	1	1	40,549	--	1	1	41,777	--	1,228
Ivory Coast	2	--	2	173,732	17	--	17	322,557	2	--	2	186,251	(15)	(136,306)
Kenya	6	--	6	225,624	3	--	3	208,388	3	--	3	211,832	--	3,444
Lesotho	1	--	1	93,602	1	--	1	93,461	1	--	1	94,723	--	1,262
Liberia	7	4	11	736,602	5	4	9	572,628	4	3	7	595,256	(2)	22,628
Madagascar	1	--	1	24,591	1	--	1	32,512	1	--	1	33,432	--	920
Malawi	1	--	1	81,306	1	--	1	119,959	1	--	1	76,107	--	(43,852)
Mali	1	1	2	105,780	1	1	2	116,710	1	1	2	118,200	--	1,490
Mauritius	2	--	2	32,215	2	--	2	43,257	2	--	2	43,983	--	726
Mozambique	2	1	3	57,696	--	1	1	78,800	--	--	--	--	(1)	(78,800)
Niger	2	1	3	48,016	1	1	2	76,875	1	1	2	78,137	--	1,262
Nigeria	2	1	3	200,506	2	1	3	198,359	2	1	3	201,883	--	3,524
Rwanda	1	--	1	48,218	1	--	1	52,103	1	--	1	53,137	--	1,034
Senegal	1	1	2	146,532	1	1	2	131,277	1	1	2	132,767	--	1,490
Sierra Leone	--	--	--	29,290	--	--	--	28,886	--	--	--	30,114	--	1,228
Somalia	--	1	1	41,673	--	1	1	15,460	--	1	1	15,574	--	114
South Africa	22	--	22	931,885	20	--	20	680,360	16	--	16	720,700	(4)	40,340
Swaziland	2	--	2	66,387	1	--	1	84,754	1	--	1	86,016	--	1,262
Tanzania	3	2	5	242,545	2	2	4	168,088	2	2	4	169,498	--	1,410
Togo	--	1	1	94,571	--	1	1	89,043	--	1	1	90,727	--	1,684
Uganda	2	--	2	86,357	2	--	2	74,819	2	--	2	75,659	--	840
Zaire	1	--	1	80,113	1	--	1	49,926	1	--	1	50,960	--	1,034
Zambia	3	--	3	130,443	2	--	2	133,001	2	--	2	115,297	--	(17,704)
Zimbabwe	2	2	4	139,364	8	2	10	376,845	1	2	3	102,486	(7)	(274,359)
Regional	42	81	123	3,611,170	35	73	108	3,445,759	30	66	96	3,517,820	(12)	72,061
S/T, Grantee Costs	119	103	222	8,344,380	119	95	214	8,186,751	87	86	173	7,794,399	(41)	(392,352)

	1989 ACTUAL				1990 ESTIMATE				1991 ESTIMATE				INCREASE OR DECREASE (-)	
	No. of Grants				No. of Grants				No. of Grants					
	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	No. of Grants	Funds
Cooperation with Private Institutions	--	--	--	781,456	--	--	--	782,000	--	--	--	782,000	--	--
Other Program Expenses:														
Contract Agency Costs	--	--	--	879,276	--	--	--	700,000	--	--	--	728,000	--	28,000
Program Support Costs	--	--	--	72,210	--	--	--	105,000	--	--	--	105,000	--	--
Other Academic Expenses	--	--	--	238,175	--	--	--	209,300	--	--	--	209,300	--	--
S/T, Other Prog Expenses..	--	--	--	1,189,661	--	--	--	1,014,300	--	--	--	1,042,300	--	28,000
Total	119	103	222	10,315,497	119	95	214	9,983,051	87	86	173	9,618,699	(41)	(364,352)
Deduct Foreign Government Contributions	xxx	xxx	xxx	--	xxx	xxx	xxx	--	xxx	xxx	xxx	--	xxx	--
Total, USG Funds	xxx	xxx	xxx	10,315,497	xxx	xxx	xxx	9,983,051	xxx	xxx	xxx	9,618,699	xxx	(364,352)
Deduct Reimbursements	xxx	xxx	xxx	--	xxx	xxx	xxx	--	xxx	xxx	xxx	--	xxx	--
Total, Direct Obligations	xxx	xxx	xxx	10,315,497	xxx	xxx	xxx	9,983,051	xxx	xxx	xxx	9,618,699	xxx	(364,352)

AFRICA
International Visitors

	1989 ACTUAL		1990 ESTIMATE		1991 ESTIMATE		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Benin	8	79,275	8	81,154	8	83,282	--	2,128
Botswana	7	72,968	7	74,612	7	76,474	--	1,862
Burkina Faso	8	70,971	8	72,850	8	74,978	--	2,128
Burundi	6	58,885	6	60,294	6	61,890	--	1,596
Cameroon	9	90,784	9	92,898	9	95,292	--	2,394
Cape Verde	2	19,021	2	19,491	2	20,023	--	532
Central Africa Republic	7	71,263	7	72,907	7	74,769	--	1,862
Chad	4	39,763	4	40,702	4	41,766	--	1,064
Comoros	--	--	2	21,470	2	22,002	--	532
Congo (Brazzaville)	17	165,410	17	169,403	16	173,658	(1)	4,255
Djibouti	1	10,545	1	10,780	1	11,046	--	266
Equatorial Guinea	1	7,278	1	7,513	1	7,779	--	266
Ethiopia	11	101,198	11	103,781	11	106,706	--	2,925
Gabon	6	61,085	6	62,494	6	64,090	--	1,596
The Gambia	2	20,063	2	20,533	2	21,065	--	532
Ghana	14	133,775	14	137,063	13	140,520	(1)	3,457
Guinea	6	59,556	6	60,965	6	62,561	--	1,596
Guinea-Bissau	2	19,387	2	[illegible],857	2	20,389	--	532
Ivory Coast	21	175,388	21	[illegible],320	19	185,373	(2)	5,053
Kenya	16	153,270	16	157,028	15	161,017	(1)	3,989
Lesotho	5	50,328	5	51,502	5	52,832	--	1,330
Liberia	8	75,551	8	77,430	8	79,558	--	2,128
Madagascar	9	97,938	9	100,052	9	102,446	--	2,394
Malawi	9	92,559	9	94,673	9	97,067	--	2,394
Mali	10	100,149	10	102,497	10	105,157	--	2,660
Mauritius	6	56,032	6	57,441	6	59,037	--	1,596
Mozambique	8	77,421	8	79,300	8	81,428	--	2,128
Namibia	--	--	6	69,409	6	71,005	--	1,596
Niger	7	64,273	7	65,917	7	67,779	--	1,862
Nigeria	43	398,774	43	408,873	39	419,243	(4)	10,370
Rwanda	5	52,081	5	53,255	5	54,585	--	1,330
Sao Tome and Principe	2	20,881	2	21,351	2	21,883	--	532
Senegal	19	170,665	19	175,127	18	179,913	(1)	4,786
Seychelles	1	11,460	1	11,695	1	11,961	--	266
Sierra Leone	6	60,414	6	61,823	6	63,419	--	1,596
Somalia	8	75,611	8	77,490	8	79,618	--	2,128
South Africa	56	560,893	56	574,043	51	587,605	(5)	13,562
Swaziland	7	69,646	7	71,290	7	73,152	--	1,862
Tanzania	11	106,369	11	108,952	10	111,611	(1)	2,659
Togo	8	80,258	8	82,137	8	84,265	--	2,128

	1989 ACTUAL		1990 ESTIMATE		1991 ESTIMATE		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Uganda	8	80,506	8	82,385	8	84,513	--	2,128
Zaire	28	288,326	28	294,902	26	301,816	(2)	6,914
Zambia	17	173,804	17	177,797	16	182,052	(1)	4,255
Zimbabwe	18	178,860	18	183,086	17	187,606	(1)	4,520
Regional	3	30,870	5	31,575	5	32,373	--	798
ARS Paris	5	36,492	3	37,666	3	38,996	--	1,330
Total, Grant Programs	455	4,420,046	463	4,617,783	443	4,735,600	(20)	117,817
Other Program Expenses:								
Contract Agency Costs	--	1,807,419	--	1,852,919	--	1,852,919	--	--
Escort Interpreter Costs	--	1,885,622	--	1,885,622	--	1,885,622	--	--
Group Project Costs	--	394,159	--	394,159	--	394,159	--	--
Non-Sponsored Visitor Programs	--	253,149	--	253,149	--	253,149	--	--
Program Support	--	102,204	--	102,204	--	102,204	--	--
Other Program Expenses	--	166,025	--	166,025	--	166,025	--	--
Total, Other Program Expenses	--	4,608,578	--	4,654,078	--	4,654,078	--	--
Total, Exchanges	455	9,028,624	463	9,271,861	443	9,389,678	(20)	117,817
Deduct Reimbursements	--	(42,850)	--	(42,850)	--	(42,850)	--	--
Total, Direct Obligations	455	8,985,774	463	9,229,011	443	9,346,828	(20)	117,817

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

NORTH AFRICA, NEAR EAST AND SOUTH ASIA

Summary of Requirements	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Total Program	$18,303,646	$18,331,915	$18,565,610	$233,695
Deduct: Contributions, Reimbursements	-918,325	-918,325	-918,325	—
Direct Obligations	17,385,321	17,413,590	17,647,285	233,695

General Statement

U.S. academic exchange programs with countries in North Africa, Near East, and South Asia contribute to improved mutual understanding with a very complex, and frequently misunderstood, part of the world. Challenge will continue to be the byword for academic exchanges: challenge to make an adequate response to the many opportunities presenting themselves; challenge to continue effective academic exchange in societies where social strife and national disaster repeatedly disrupt academic life; challenge to achieve mutual benefits through programs that are truly binational in character.

With both American and foreign academic communities interested in exchanges, existing programs face continuing pressure to expand grant opportunities. Over the last ten to twenty years, an exponential growth in higher education has taken place as increasing numbers of a youthful population gain access to higher education and governments emphasize education as a means to achieve economic development. Within the societies themselves there is a strong desire for education in order to attain greater personal economic and social status. Educational institutions have grown and multiplied, with a corresponding growth in student populations and teaching staff. The U.S. is looked to for significant numbers of scholarships and faculty exchanges, especially in the fields of science, technology, and business, where the U.S. is perceived to be a leader. Consequently, the Fulbright program is under considerable pressure to increase exchange opportunities. Fulbright exchanges are targeted for specific programs within the larger context of academic exchanges and the educational environment of each country.

Significant improvement has been seen in exchange programs throughout the area. In countries where exchanges have traditionally been difficult, such as Algeria, Syria, and Iraq, host governments have become more receptive to expanding exchange opportunities. Clearance procedures have proceeded without undue delay this past year. In academic year 1989-90, major strides have been made in exchange programs in the Gulf: Oman is hosting its first Fulbrighter; Saudi Arabia and Qatar are hosting U.S. students for the first time (and both are women); and Saudi Arabia will start up a special summer research program for junior faculty. In North Africa, foreign student programs (degree and non-degree) continue to be large, providing an alternative to French higher education. The American Institute of Maghreb Studies with its overseas research center in Tunis, has stimulated the scholarly interest of both American and foreign academics.

However, a continual challenge exists in attracting high quality American applicants to this part of the world, particularly for designated lecturing assignments. Innovative and flexible assignments (combining lecturing and research awards, using serial grants, and recruiting for "open" awards) are being used to attract more U.S. scholars to the area.

In South Asia, Nepal, Sri Lanka and Bangladesh all face unique problems: severe development needs coupled with a drastically underdeveloped education system in Nepal, social and political disruptions in Sri Lanka, and developmental needs compounded by natural disaster in Bangladesh. Still, small, effective exchange programs are underway. The Sri Lankan program is under special scrutiny, as the travel of Americans to Sri Lanka is reviewed periodically.

The International Visitor Program in the countries of North Africa, the Near East and South Asia is a major tool in our efforts to foster greater understanding of American foreign and domestic policies, society, and culture, all of which are largely misunderstood and misrepresented in the countries of the region. American foreign policy as it impacts in this region -- especially the U.S. policy concerning the Arab-Israeli dispute -- is often the target of widespread disapproval, if not outright condemnation, in the countries of the area. American society and culture, which differ markedly from those of the generally conservative, mostly Islamic societies of the region, are often caricatured by large segments of these societies as superficial, immoral and lacking in values. These misperceptions result from the significant physical separation between the U.S. and these countries, a lack of accurate information available within these societies concerning the U.S. and its policies and motives, and, in certain cases, deliberate attempts by governments, media representatives or others to distort information about the United States.

The International Visitor Program grants provided to officials, journalists, academics and other influential individuals in these societies attempt to address misperceptions and ignorance by exposing these individuals directly to Americans and American society. While perceptions of specific policies or aspects of American life are not always changed, a greatly-increased level of understanding and a significantly greater degree of openness to reconsideration of U.S. policies and aspects of American life, have been the consistent response of participants to the uncensored, first-hand exposure to the wide variety of aspects of American professional, social, cultural, and personal life gained through the Program. International Visitor Program participants from North Africa, the Near East, and South Asia are, for the most part, profoundly touched by the freedom, individuality, diversity and hospitality in evidence throughout the United States. Moreover, through their personal experiences, and through their professional and personal interaction with peers, students, and the general public in their home countries, these visitors represent a valuable long-term investment in the pursuit of the USIA mission and U.S. policy objectives in this troubled area of the world.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

The International Visitor Program continues to suffer from unsettled conditions in certain parts of the region. The withdrawal of U.S. personnel from the American Embassy in Beirut has led to a temporary suspension of the IV Program with Lebanon, and conditions on the West Bank have prevented our post in Jerusalem from maintaining its traditional level of involvement in the program. Both posts, however, maintain a keen interest in the program, and are eager to reactivate their participation as soon as conditions permit.

The net increase of $233,695 results from mandatory price increases of $849,155 partially offset by a 1991 absorption of $615,460.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA

Academic Exchanges

	1989 ACTUAL				1990 ESTIMATE				1991 ESTIMATE				INCREASE OR DECREASE (-)	
	No. of Grants				No. of Grants				No. of Grants					
	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	No. of Grants	Funds
Afghanistan	2	3	5	121,393	--	3	3	31,482	--	3	3	32,334	--	852
Algeria	4	1	5	133,201	5	2	7	153,583	5	2	7	154,637	--	1,054
Bahrain	--	2	2	86,154	--	2	2	85,149	--	2	2	85,717	--	568
Bangladesh	6	3	9	223,327	3	2	5	185,431	3	2	5	187,236	--	1,805
Bhutan	1	--	1	30,575	1	--	1	59,779	1	--	1	60,448	--	669
Egypt	45	25	70	928,317	42	22	64	1,083,244	42	22	64	1,101,420	--	18,176
Gaza	3	--	3	94,602	1	--	1	73,058	1	--	1	74,011	--	953
India	62	47	109	622,868	56	63	119	922,081	56	63	119	951,207	--	29,126
Iraq	1	2	3	109,615	2	3	5	157,106	2	3	5	158,526	--	1,420
Israel	23	21	44	1,273,560	20	27	47	1,379,581	20	27	47	1,388,291	--	8,710
Jordan	12	10	22	475,632	11	9	20	468,479	11	9	20	473,143	--	4,664
Kuwait	1	4	5	117,531	1	4	5	113,951	1	4	5	115,371	--	1,420
Lebanon	11	--	11	114,176	--	--	--	--	--	--	--	--	--	--
Mauritania	--	1	1	67,190	1	1	2	66,711	1	1	2	67,096	--	385
Morocco	23	13	36	593,906	17	18	35	626,195	17	18	35	638,060	--	11,865
Nepal	8	2	10	396,351	5	5	10	393,980	5	5	10	397,224	--	3,244
Oman	--	1	1	39,581	--	1	1	37,787	--	1	1	38,071	--	284
Pakistan	6	7	13	645,350	10	8	18	679,039	10	8	18	684,151	--	5,112
Qatar	1	2	3	80,679	--	1	1	37,787	--	1	1	38,071	--	284
Saudi Arabia	--	1	1	30,019	--	1	1	37,787	--	1	1	38,071	--	284
Sri Lanka	12	2	14	398,508	4	6	10	325,503	4	6	10	329,763	--	4,260
Sudan	9	1	10	289,964	6	2	8	242,829	6	2	8	244,552	--	1,723
Syria	5	7	12	274,470	5	7	12	299,968	5	7	12	302,847	--	2,859
Tunisia	12	4	16	394,454	9	4	13	388,313	9	4	13	390,921	--	2,608
United Arab Emirates	2	--	2	22,792	--	1	1	41,965	--	1	1	42,249	--	284
West Bank	11	--	11	274,177	10	--	10	300,549	10	--	10	302,758	--	2,209
Yemen	4	3	7	213,502	4	3	7	211,309	4	3	7	212,748	--	1,439
Regional	28	12	40	838,068	19	5	24	613,720	19	5	24	420,536	--	6,816
S/T, Grantee Costs	292	174	466	8,909,742	232	200	432	8,816,386	232	200	432	8,929,459	--	113,073
Cooperation with Private Institutions	--	--	--	368,989	--	--	--	380,189	--	--	--	380,189	--	--

	1989 ACTUAL				1990 ESTIMATE				1991 ESTIMATE				INCREASE OR DECREASE (-)	
	No. of Grants				No. of Grants				No. of Grants					
	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	No. of Grants	Funds
Other Program Expenses:														
Contract Agency Costs	--	--	--	1,325,153	--	--	--	1,181,000	--	--	--	1,197,040	--	16,040
Program Support Costs	--	--	--	101,330	--	--	--	140,000	--	--	--	140,000	--	--
Other Academic Expenses	--	--	--	204,487	--	--	--	180,200	--	--	--	180,200	--	--
S/T, Other Prog Expenses..	--	--	--	1,630,970	--	--	--	1,501,200	--	--	--	1,517,240	--	16,040
Total	292	174	466	10,909,701	232	200	432	10,697,775	232	200	432	10,826,888	--	129,113
Deduct Foreign Government Contributions	xxx	xxx	xxx	(716,134)	xxx	xxx	xxx	(716,134)	xxx	xxx	xxx	(716,134)	xxx	--
Total, USG Funds	xxx	xxx	xxx	10,193,567	xxx	xxx	xxx	9,981,641	xxx	xxx	xxx	10,110,754	xxx	129,113
Deduct Reimbursements	xxx	xxx	xxx	(160,000)	xxx	xxx	xxx	(160,000)	xxx	xxx	xxx	(160,000)	xxx	--
Total, Direct Obligations	xxx	xxx	xxx	10,033,567	xxx	xxx	xxx	9,821,641	xxx	xxx	xxx	9,950,754	xxx	129,113

NORTH AFRICA, NEAR EAST AND SOUTH ASIA
International Visitors

	1989 ACTUAL		1990 ESTIMATE		1991 ESTIMATE		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Afghanistan	19	140,961	19	149,218	19	153,818	--	4,600
Algeria	17	99,432	17	106,820	16	110,693	(1)	3,873
Bahrain	6	43,489	6	46,097	5	47,307	(1)	1,210
Bangladesh	16	126,690	16	133,643	16	137,516	--	3,873
Bhutan	3	20,266	3	21,570	3	22,296	--	726
Egypt	44	241,241	44	260,363	44	271,015	--	10,652
Gaza	1	6,674	1	7,109	1	7,351	--	242
India-Dollars	55	360,308	55	384,210	55	397,525	--	13,315
Iraq	12	94,013	12	99,228	12	102,133	--	2,905
Israel	19	131,894	19	140,151	19	144,751	--	4,600
Jordan	19	121,928	19	130,185	18	134,543	(1)	4,358
Kuwait	10	51,999	10	56,345	9	58,524	(1)	2,179
Lebanon	9	64,113	--	--	--	--	--	--
Maldives	4	32,529	4	34,267	4	35,235	--	968
Mauritania	3	22,841	3	24,145	3	24,871	--	726
Morocco	26	161,626	26	172,925	25	178,977	(1)	6,052
Nepal	11	84,786	11	89,566	10	91,987	(1)	2,421
Oman	4	31,633	4	33,371	4	34,339	--	968
Pakistan - Dollars	40	274,706	40	292,089	40	301,773	--	9,684
Qatar	4	29,491	4	31,229	3	31,955	(1)	726
Saudia Arabia	3	21,956	3	23,260	3	23,986	--	726
Sri Lanka	13	96,336	13	101,986	12	104,891	(1)	2,905
Sudan	24	171,626	24	182,056	23	187,624	(1)	5,568
Syria	24	153,562	24	163,992	23	169,560	(1)	5,568
Tunisia	18	110,753	18	118,576	17	122,691	(1)	4,115
United Arab Emirates	6	47,053	6	49,661	5	50,871	(1)	1,210
West Bank	11	67,164	--	--	--	--	--	--
Yemen	8	34,685	8	38,162	7	39,857	(1)	1,695
Cultural Normalization	19	114,903	19	123,160	19	127,750	--	4,600
Regional	--	--	20	139,969	17	144,086	(3)	4,117
Total, Grant Programs	448	2,958,658	448	3,153,353	432	3,257,935	(16)	104,582
Other Program Expenses:								
Contract Agency Costs	--	1,779,613	--	1,825,113	--	1,825,113	--	--
Escort Interpreter Costs	--	1,856,612	--	1,856,612	--	1,856,612	--	--
Group Projects Costs	--	285,705	--	285,705	--	285,705	--	--
Non-Sponsored Visitor Programs	--	249,254	--	249,254	--	249,254	--	--
Program Support	--	100,632	--	100,632	--	100,632	--	--
Other Program Expenses	--	163,471	--	163,471	--	163,471	--	--
Total, Other Program Expenses	--	4,435,287	--	4,480,787	--	4,480,787	--	--
Total, Exchanges	448	7,393,945	448	7,634,140	432	7,738,722	(16)	104,582
Deduct Reimbursements	--	(42,191)	--	(42,191)	--	(42,191)	--	--
Total, Direct Obligations	448	7,351,754	448	7,591,949	432	7,696,531	(16)	104,582

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

AMERICAN REPUBLICS

Summary of Requirements	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Total Academic and IV Exchanges	$29,546,461	$29,708,448	$30,163,565	$455,117
Deduct: Contributions, Reimbursements	-703,309	-703,309	-703,309	—
Direct obligations, Academic/IV Exchanges.	28,843,152	29,005,139	29,460,256	455,117
Central American Undergraduate Scholarship Program (CAMPUS)	3,217,690	3,245,000	3,187,008	-57,992
Total Direct Obligations, American Republics	32,060,842	32,250,139	32,647,264	397,125

General Statement

Geographical proximity gives the countries of Latin America and the Caribbean an important political and economic relationship to the United States. The political instability and economic difficulties which affect a number of countries in the region have an important impact on basic U.S. domestic and international concerns, including narcotics trade, immigration, foreign debt, environment, and the security of Americans abroad. As political and economic conditions in the region undergo change, it is extremely important for the United States to establish contact with emerging leaders and opinion molders in all sectors of Latin American society. It is in this context that academic exchanges play a major role in U.S. relations with Latin America.

In spite of unsettled conditions in the region, there is an active and vigorous pattern of exchange activity, even in those countries confronting the worst political and economic problems. This results in part from a growing perception that U.S. models and training can help overcome these problems. Both this perception and reductions in official Latin American support for foreign study necessitated by budget crises have led to an increased interest within the region in cost-sharing graduate study programs in the U.S. through the Fulbright Program. The Program is responding positively to these overtures. In addition to established cost-sharing programs for Latin American graduate students and researchers from Colombia, Brazil and Argentina, new cost-sharing agreements were reached during the past year in Chile, where graduate study grants will be co-funded with the American Chamber of Commerce, and in Venezuela and Mexico, where graduate study programs will be co-funded with the official government scholarship agencies.

The program is also diversifying the options available to Latin American scholars and professionals by offering internship grants in cooperation with the Library of Congress and the Smithsonian Institution. Successful initiatives in the U.S. scholar programs are being broadened to increase the value of the exchange experience for the scholars themselves, as well as for their Latin American host institutions. Inter-country travel for U.S. scholars is being encouraged and given increased support so that grantees in the region can travel to other countries to participate in substantive academic and artistic activities. In response to the increasingly limited access by Latin American scholars and students to U.S. books, journals, and other research and teaching materials as a result of the region-wide economic crisis, U.S. Fulbright Lecturers receive books and other educational materials to use in their classes and later donate to their host university libraries.

In Central America, violence and political unrest had an unfavorable impact on the U.S. component of the program during 1989. By the latter part of the year, there were virtually no U.S. grantees in Panama and El Salvador, and continued reduced numbers in Nicaragua. Numbers and quality of U.S. applicants for the region continue to improve substantially, however, and it is hoped that program conditions will become more favorable in these countries in the coming year. While grants for the Central American program were maintained at a relatively high level during the past year, the stringencies imposed by the overall budget limitation and other priority needs will necessitate some reduction in the funding and number of grants for the seven Central American counties.

The program continued to provide strong support for English teaching, as well as funding for the Central American Teacher Training (CATT) Project, which provides intensive training for 30 Central American English teachers at a U.S. university campus, and support for additional Central American participants in the Agency-sponsored Summer and Winter American Studies Institutes.

Follow-up monitoring of the first group of CAMPUS alumni revealed their successful reintegration and career advancement. Participants in CAMPUS II and III continue to perform successfully at their American universities, and a fourth CAMPUS group of 77 students arrived in January 1990.

The presence of genuine democratic reforms in much of Latin America continued to drive International Visitor programming. Peaceful elections in Argentina and Uruguay reaffirmed the commitment to civilian rule in those countries following a period of repressive military rule, while the 1989 elections in Chile signaled the return of that country to democratic, civilian rule. 1989 also marked the first direct elections for President in Brazil under the newly-inaugurated 1988 Constitution, as well as a change of government in Paraguay. Two regional IV projects on the U.S. Political System, one sponsored specifically for newly-elected deputies, and another for political scientists, journalists and politicians, spoke directly to this trend, as did a program for young political leaders from the Southern cone, many of whom were too young to remember their countries' democracies of the late sixties and early seventies.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

The new spirit of cooperation which characterizes the relationship between President Bush and President Salinas of Mexico has had an impact on the IV program, as on all educational and cultural exchange programs between the U.S. and Mexico. In light of the most recent meeting of the U.S.-Mexico Commission on Cultural Cooperation, at which the Director of USIA pledged his increased support for bilateral programs between the two countries, modestly increased funding for Mexico will further such priorities as drug abuse prevention, environmental protection, and small business development. Regional and single country projects in the field of drug abuse education and prevention continue to be of singular importance to the entire area. Finally, to meet the special needs of the English-speaking Caribbean, three separate sub-regional projects will be held in 1990: Drug Abuse Prevention in the U.S.; U.S. Monetary Policy, Debt Management and Trade; and Entrepreneurship and Small Business in the U.S. Economy.

The net increase of $397,125 is requested to provide $1,719,210 for mandatory price increases in Academic exchanges and $169,008 in Campus partially offset by a 1991 programmatic adjustment of $1,264,093 in Academic exchanges and $227,000 in Campus.

AMERICAN REPUBLICS

Academic Exchanges

	1989 ACTUAL				1990 ESTIMATE				1991 ESTIMATE				INCREASE OR DECREASE (-)	
	No. of Grants				No. of Grants				No. of Grants					
	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	No. of Grants	Funds
CENTRAL AMERICA														
Belize	1	8	9	228,644	9	5	14	311,545	8	5	13	312,119	(1)	574
Costa Rica	64	14	78	2,053,363	54	12	66	1,786,328	51	12	63	1,789,330	(3)	3,002
El Salvador	41	4	45	1,145,769	39	6	45	1,043,437	35	6	41	1,045,364	(4)	1,927
Guatemala	34	12	46	1,084,680	32	9	41	897,244	29	9	38	898,966	(3)	1,722
Honduras	32	10	42	1,120,627	34	11	45	1,030,767	31	11	42	1,032,612	(3)	1,845
Nicaragua	33	7	40	919,291	33	7	40	977,314	31	7	38	979,118	(2)	1,804
Panama	65	4	69	1,604,090	61	2	63	1,502,266	54	2	56	1,502,799	(7)	533
Regional	4	2	6	303,595	4	--	4	49,799	4	--	4	49,963	--	164
Subtotal, Grants	274	61	335	8,460,039	266	52	318	7,598,700	243	52	295	7,610,271	(23)	11,571
Other Program Expenses:														
Contract Agency Costs	--	--	--	816,624	--	--	--	805,000	--	--	--	837,200	--	32,200
Program Support Costs	--	--	--	93,180	--	--	--	140,000	--	--	--	140,000	--	--
Other Academic Expenses	--	--	--	174,781	--	--	--	153,500	--	--	--	153,500	--	--
S/T, Other Prog Expenses	--	--	--	1,084,585	--	--	--	1,098,500	--	--	--	1,130,700	--	32,200
Subtotal, Central America	274	61	335	9,544,624	266	52	318	8,697,200	243	52	295	8,740,971	(23)	43,771
OTHER AMERICAN REPUBLICS														
Argentina	30	21	51	958,115	33	10	43	986,102	33	10	43	1,010,662	--	24,560
Bahamas	1	1	2	53,336	1	1	2	69,065	1	1	2	70,080	--	1,015
Barbados	7	5	12	217,025	6	4	10	250,139	6	4	10	255,429	--	5,290
Bolivia	9	4	13	352,854	10	4	14	462,218	10	4	14	471,968	--	9,750
Brazil	64	45	109	2,183,216	57	26	83	2,325,093	57	26	83	2,357,773	--	32,680
Chile	21	13	34	686,440	20	9	29	755,680	20	9	29	769,490	--	13,810
Colombia	32	13	45	946,834	36	7	43	1,096,296	36	7	43	1,121,036	--	24,740
Dominican Republic	6	2	8	192,809	9	2	11	218,630	9	2	11	221,365	--	2,735
Ecuador	21	17	38	621,664	22	12	34	730,670	22	12	34	749,940	--	19,270
Guyana	3	1	4	63,627	4	2	6	142,171	4	2	6	145,031	--	2,860
Haiti	9	2	11	267,382	10	2	12	334,975	10	2	12	341,525	--	6,550
Jamaica	5	4	9	218,069	5	3	8	205,306	5	3	8	209,581	--	4,275
Mexico	44	21	65	1,487,731	54	25	79	1,604,306	54	25	79	1,642,841	--	38,535
Paraguay	5	3	8	178,065	6	3	9	211,797	6	3	9	216,287	--	4,490
Peru	22	17	39	739,897	18	13	31	753,251	18	13	31	771,721	--	18,470
Suriname	2	--	2	53,751	1	--	1	51,063	1	--	1	51,678	--	615
Trinidad	2	2	4	95,682	2	2	4	104,557	2	2	4	106,587	--	2,030
Uruguay	23	17	40	293,683	12	14	26	315,010	12	14	26	325,655	--	10,645
Venezuela	9	5	14	347,088	14	3	17	328,482	14	3	17	335,862	--	7,380
Regional	25	11	36	586,109	24	9	33	370,507	24	9	33	383,707	--	13,200
S/T, Grantee Costs	340	204	544	10,563,377	344	151	495	11,315,318	344	151	495	11,558,218	--	242,900

	1989 ACTUAL				1990 ESTIMATE				1991 ESTIMATE				INCREASE OR DECREASE (-)	
	No. of Grants				No. of Grants				No. of Grants					
	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	No. of Grants	Funds
Cooperation with Private Institutions	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other Program Expenses:														
Contract Agency Costs	--	--	--	1,344,872	--	--	--	1,369,000	--	--	--	1,423,760	--	54,760
Program Support Costs	--	--	--	110,650	--	--	--	160,000	--	--	--	160,000	--	--
Other Academic Expenses ..	--	--	--	205,178	--	--	--	180,700	--	--	--	180,700	--	--
S/T, Other Prog Expenses	--	--	--	1,660,700	--	--	--	1,709,700	--	--	--	1,764,460	--	54,760
Total, Other Am Republics ..	340	204	544	12,224,077	344	151	495	13,025,018	344	151	495	13,322,678	--	297,660
Total, American Republics	614	265	879	21,768,701	610	203	813	21,722,218	587	203	790	22,063,649	(23)	341,431
Deduct Foreign Government Contributions	xxx	xxx	xxx	(571,221)	xxx	xxx	xxx	(571,221)	xxx	xxx	xxx	(571,221)	xxx	--
Total, USG Funds	xxx	xxx	xxx	21,197,480	xxx	xxx	xxx	21,150,997	xxx	xxx	xxx	21,492,428	xxx	341,431
Deduct Reimbursements	xxx	xxx	xxx	(85,000)	xxx	xxx	xxx	(85,000)	xxx	xxx	xxx	(85,000)	xxx	--
Total, Direct Obligations	xxx	xxx	xxx	21,112,480	xxx	xxx	xxx	21,065,997	xxx	xxx	xxx	21,407,428	xxx	341,431

AMERICAN REPUBLICS
International Visitors

	1989 ACTUAL		1990 ESTIMATE		1991 ESTIMATE		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
CENTRAL AMERICA								
Belize	5	27,536	5	27,536	5	28,682	--	1,146
Costa Rica	18	106,449	18	106,449	18	110,574	--	4,125
El Salvador	17	93,566	17	93,566	17	97,462	--	3,896
Guatemala	23	130,369	23	130,369	22	135,411	(1)	5,042
Honduras	25	142,697	25	142,697	24	148,197	(1)	5,500
Nicaragua	19	120,600	19	120,600	18	124,725	(1)	4,125
Panama	18	109,612	18	109,612	18	113,738	--	4,126
Subtotal, Central America	125	730,829	125	730,829	122	758,789	(3)	27,960
OTHER AMERICAN REPUBLICS								
Argentina	35	221,709	35	236,920	33	244,756	(2)	7,836
Bahamas	5	28,154	5	30,327	5	31,514	--	1,187
Barbados	20	118,815	20	127,507	19	132,019	(1)	4,512
Bolivia	13	84,169	13	89,819	13	92,906	--	3,087
Brazil	62	390,652	62	417,596	62	432,319	--	14,723
Chile	33	184,793	33	199,134	33	206,970	--	7,836
Colombia	20	120,887	20	129,579	20	134,328	--	4,749
Dominican Republic	13	72,508	13	78,158	12	81,008	(1)	2,850
Ecuador	12	72,028	12	77,243	11	79,855	(1)	2,612
Guyana	4	24,702	4	26,440	4	27,390	--	950
Haiti	17	95,866	17	103,254	16	107,053	(1)	3,799
Jamaica	11	64,598	11	69,378	10	71,753	(1)	2,375
Martinique	1	5,306	1	5,741	0	5,741	(1)	0
Mexico	29	155,013	29	167,616	29	174,503	--	6,887
Paraguay	12	76,235	12	81,450	11	84,062	(1)	2,612
Peru	23	143,657	23	153,652	21	158,639	(2)	4,987
Suriname	3	19,316	3	20,620	3	21,332	--	712
Trinidad	9	53,758	9	57,669	9	59,806	--	2,137
Uruguay	19	127,192	19	135,449	18	139,723	(1)	4,274
Venezuela	34	174,637	34	189,413	32	197,014	(2)	7,601
Subtotal, Other American Republic	375	2,233,995	375	2,396,965	361	2,482,691	(14)	85,726
Total, Grant Programs	500	2,964,824	500	3,127,794	483	3,241,480	(17)	113,686

	1989 ACTUAL		1990 ESTIMATE		1991 ESTIMATE		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Other Program Expenses:								
Contract Agency Costs	--	1,986,175	--	2,031,675	--	2,031,675	--	--
Escort Interpreter Costs	--	2,072,112	--	2,072,112	--	2,072,112	--	--
Group Project Costs	--	251,253	--	251,253	--	251,253	--	--
Non-Sponsored Visitor Programs ..	--	208,639	--	208,639	--	208,639	--	--
Program Support	--	112,312	--	112,312	--	112,312	--	--
Other Program Expenses	--	182,445	--	182,445	--	182,445	--	--
Total, Other Program Expenses	--	4,812,936	--	4,858,436	--	4,858,436	--	--
Total, Exchanges	500	7,777,760	500	7,986,230	483	8,099,916	(17)	113,686
Deduct Reimbursements	--	(47,088)	--	(47,088)	--	(47,088)	--	--
Total, Direct Obligations	500	7,730,672	500	7,939,142	483	8,052,828	(17)	113,686

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

WEST EUROPE

Summary of Requirements	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Total Program	$42,859,704	$44,252,073	$44,717,763	$465,690
Deduct: Contributions, Reimbursements..........	-18,663,718	-18,663,718	-18,663,718	--
Direct Obligations	24,195,986	25,588,355	26,054,045	465,690

General Statement

Events in Eastern Europe, a growing sense of self-confidence and independence on the part of Western European countries and the movement towards a more integrated European Community are reshaping relations between the United States and this vitally important region. It is essential to maintain and strengthen our programs during this period of transition. Young Europeans, who gain their information about the United States mainly through television, are critical of what they learn about American society. Their understanding of U.S. social and political processes is sadly deficient. Furthermore, as European educational systems become increasingly integrated, making studying in other countries in the region easier and more attractive, the incentive for and interest in studying in the U.S. will lessen, unless strong support is given to U.S. exchange programs.

Work to improve U.S.-West European exchanges is being accomplished chiefly by strengthening the financial and administrative condition of the West European Fulbright Commissions, which have suffered badly from the fall in the value of the dollar, so that they may better use innovative program ideas and build on well-established exchange programs. Greater cost-sharing initiatives and tighter management of resources has been encouraged. Forty percent of the West European governments now contribute one-half or more of the Commission budgets in their countries.

Exchanges of teachers, a particularly cost-effective way to reach out to secondary school and undergraduate audiences, have gained in popularity and have increased throughout Western Europe. Posts and Commissions have also been encouraged to expand student advising services in order to counteract widespread confusion over admission and study opportunities in the United States. However, with tremendous numbers of foreign students expressing interest in studying in the U.S., the personnel resources of most Commissions are over-extended and cannot keep up with the growing demand for information.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

The International Visitor Program offers a unique opportunity for future leaders from Western Europe to visit the United States to learn about this country and discuss issues of common concern. Journalists, politicians, academicians, trade unionists, and government officials are key participants. Although most Europeans have relatively easy access to the United States, little or no past travel to this country is one of the major criteria for selecting visitors. However, even for repeat visitors, the professional and cultural programs arranged for grantees expose them to an America never seen before. In addition to establishing valuable contacts, the grantees participate in balanced and objective programs which encourage frank discussions and provide uniquely fresh insights on a range of delicate and sensitive issues.

The net increase of $465,690 is requested to provide $1,182,528 for mandatory price increases, partially offset by a programmatic absorption of $716,838.

WESTERN EUROPE

Academic Exchanges

	1989 ACTUAL				1990 ESTIMATE				1991 ESTIMATE				INCREASE OR DECREASE (-)	
	No. of Grants				No. of Grants				No. of Grants					
	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	No. of Grants	Funds
Austria	58	29	87	563,396	61	27	88	546,104	59	27	86	550,892	(2)	4,788
Belgium/Luxembourg	31	10	41	498,801	26	8	34	477,985	24	8	32	479,745	(2)	1,760
Cyprus	79	9	88	5,268,153	87	4	91	5,163,690	87	4	91	5,171,128	--	7,438
Denmark	31	11	42	531,409	16	9	25	416,060	15	9	24	417,322	(1)	1,262
Finland	12	19	31	277,256	35	24	59	434,260	33	24	57	436,902	(2)	2,642
France	61	42	103	1,188,957	53	33	86	1,270,759	52	33	85	1,273,781	(1)	3,022
Germany, Federal Republic of	334	256	590	5,719,273	338	247	585	5,622,809	331	247	578	5,655,181	(7)	32,372
Greece	45	24	69	518,357	33	14	47	489,274	31	14	45	491,604	(2)	2,330
Iceland	12	4	16	146,437	18	15	33	179,095	17	15	32	180,623	(1)	1,528
Ireland	11	9	20	206,744	13	9	22	217,390	12	9	21	218,458	(1)	1,068
Italy	71	70	141	1,437,230	57	21	78	956,006	55	21	76	960,012	(2)	4,006
Malta	2	2	4	60,803	--	23	23	154,502	--	23	23	155,100	--	598
Netherlands	37	17	54	757,054	30	10	40	891,146	28	10	38	893,062	(2)	1,916
Norway	38	12	50	628,002	30	22	52	625,105	27	22	49	627,655	(3)	2,550
Portugal	22	16	38	457,554	24	15	39	429,886	23	15	38	431,860	(1)	1,974
Spain	210	37	247	6,392,210	263	22	285	7,414,661	257	22	279	7,429,629	(6)	14,968
Sweden	20	17	37	506,129	16	15	31	479,539	15	15	30	480,957	(1)	1,418
Switzerland	2	1	3	49,615	2	1	3	49,755	2	1	3	49,949	--	194
Turkey	32	25	57	1,101,062	33	15	48	1,156,560	33	15	48	1,159,022	--	2,462
United Kingdom	83	90	173	1,333,634	67	41	108	917,124	64	41	105	921,040	(3)	3,916
Regional	10	9	19	1,222,178	18	--	18	1,179,670	25	--	25	1,219,754	7	40,084
S/T, Grantee Costs	1,201	709	1,910	28,864,254	1,220	575	1,795	29,071,380	1,190	575	1,765	29,203,676	(30)	132,296
Cooperation with Private Institutions	--	--	--	504,239	--	--	--	425,000	--	--	--	425,000	--	--
Other Program Expenses:														
Contract Agency Costs	--	--	--	4,766,265	--	--	--	5,550,000	--	--	--	5,772,000	--	222,000
Program Support Costs	--	--	--	400,000	--	--	--	586,330	--	--	--	586,330	--	--
Other Academic Expenses	--	--	--	691,564	--	--	--	610,000	--	--	--	610,000	--	--
S/T, Other Prog Expenses	--	--	--	5,857,829	--	--	--	6,746,330	--	--	--	6,968,330	--	222,000
Total	1,201	709	1,910	35,226,322	1,220	575	1,795	36,242,710	1,190	575	1,765	36,597,006	(30)	354,296
Deduct Foreign Government Contributions	xxx	xxx	xxx	(13,617,007)	xxx	xxx	xxx	(13,617,007)	xxx	xxx	xxx	(13,617,007)	xxx	--
Total, USG Funds	xxx	xxx	xxx	21,609,315	xxx	xxx	xxx	22,625,703	xxx	xxx	xxx	22,979,999	xxx	354,296
Deduct Reimbursements	xxx	xxx	xxx	(5,000,000)	xxx	xxx	xxx	(5,000,000)	xxx	xxx	xxx	(5,000,000)	xxx	--
Total, Direct Obligations	xxx	xxx	xxx	16,609,315	xxx	xxx	xxx	17,625,703	xxx	xxx	xxx	17,979,999	xxx	354,296

WEST EUROPE
International Visitors

	1989 ACTUAL		1990 ESTIMATE		1991 ESTIMATE		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Austria	16	96,032	16	102,985	14	106,234	(2)	3,249
Belgium	14	75,522	14	81,606	14	84,855	--	3,249
Canada	11	59,194	11	63,974	11	66,527	--	2,553
Cyprus	6	37,334	6	39,942	6	41,334	--	1,392
Denmark	12	76,956	12	82,171	12	84,956	--	2,785
Finland	19	113,042	19	121,299	18	125,476	(1)	4,177
France	29	166,732	29	179,335	28	185,833	(1)	6,498
Germany, Federal Republic of	60	328,015	60	354,090	58	367,550	(2)	13,460
Greece	9	40,768	9	44,679	9	46,768	--	2,089
Iceland	6	29,037	6	31,645	6	33,037	--	1,392
Ireland	7	38,742	7	41,784	7	43,408	--	1,624
Italy	51	261,681	51	283,845	49	295,216	(2)	11,371
Luxembourg	3	18,029	3	19,333	3	20,029	--	696
Malta	8	49,961	8	53,438	8	55,295	--	1,857
Netherlands	25	118,116	25	128,979	24	134,549	(1)	5,570
Norway	22	142,826	22	152,387	21	157,260	(1)	4,873
Portugal	20	112,302	20	120,994	19	125,403	(1)	4,409
Spain	55	297,484	55	321,386	53	333,686	(2)	12,300
Sweden	17	102,327	17	109,715	17	113,660	--	3,945
Switzerland	5	28,781	5	30,954	5	32,114	--	1,160
Turkey	24	163,964	24	174,374	23	179,712	(1)	5,338
United Kingdom	50	271,778	50	293,507	48	304,649	(2)	11,142
USEC Brussels	14	81,856	14	87,940	14	91,189	--	3,249
USIO Geneva	3	17,452	3	18,756	3	19,452	--	696
USNATO	1	6,129	1	6,564	1	6,796	--	232
Vatican City	2	11,547	2	12,416	2	12,880	--	464
OECD	7	15,441	7	18,483	7	20,107	--	1,624
Total, Grant Programs	496	2,761,026	496	2,976,581	480	3,087,975	(16)	111,394
Other Program Expenses:								
Contract Agency Costs	--	1,864,286	--	2,015,786	--	2,015,786	--	--
Escort Interpreter Costs	--	2,055,535	--	2,055,535	--	2,055,535	--	--
Group Project Costs	--	323,554	--	323,554	--	323,554	--	--
Non-Sponsored Visitor Program	--	345,507	--	345,507	--	345,507	--	--
Program Support	--	102,488	--	111,414	--	111,614	--	--
Other Program Expenses	--	180,986	--	180,986	--	180,986	--	--
Total, Other Program Expenses	--	4,872,356	--	5,032,782	--	5,032,782	--	--
Total, Exchanges	496	7,633,382	496	8,009,363	480	8,120,757	(16)	111,394
Deduct Reimbursements	--	(46,711)	--	(46,711)	--	(46,711)	--	--
Total, Direct Obligations	496	7,586,671	496	7,962,652	480	8,074,046	(16)	111,394

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

SOVIET UNION AND EAST EUROPE

Summary of Requirements	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Total Program	$15,416,099	$18,549,356	$19,227,324	$677,968
Deduct: Contributions, Reimbursements	-107,894	-107,894	-107,894	--
Direct Obligations	15,308,205	18,441,462	19,119,430	677,968

General Statement

The recent dramatic changes throughout Eastern Europe and the Soviet Union have provided unprecedented opportunities for expansion of the modest Fulbright programs existent in those countries, as well as the possibility of introducing new initiatives. Faced with enormous economic, social and political change, the countries of Eastern Europe are looking to the United States for leadership and assistance in meeting the challenges of instituting democratic reforms in all aspects of life. Most significantly, they are asking for our guidance in developing stable political institutions which will encourage an open exchange of ideas and a maximum amount of public involvement in decision-making. They are eager to establish a more democratic, pragmatic and challenging educational system, and are enthusiastic to have a broad exchange of ideas, experience and contacts with the United States, particularly in such fields as the environment, business administration, English teaching, library development, and study of U.S. institutions and society.

Throughout this region, with the exception of Poland, our exchange activities are governed by bilateral program documents which detail our commitments to each of the East European countries over a period of 2-3 years. For years, those commitments were unrealized, because the East European and Soviet governments were either unwilling or unable to send the requisite number of grantees. That situation has changed dramatically over the past year. Indeed USIA is uniquely positioned with expertise and experience to rise to the challenges presented by these long-awaited political changes, and has redirected $2,248,000 in 1990 to move forward at this critical point in time.

The Agency is also undertaking new activities in response to President Bush's visit to East Europe in July 1989. In implementation of the President's Eastern European Initiative, the Agency has initiated new programs which directly relate to the attempts being made in the region to establish more democratic political and social structures and competitive economic systems. The Alexander Hamilton program in Business Management will provide young business leaders from Eastern Europe with an opportunity to study at an American university, accompanied by an intership with an American business organization. We hope also to provide emerging business schools in Eastern Europe with American consultants and lecturers under this program. The John Marshall program will provide scholarships for East Europeans in law, political science and public policy, as well as bring American professors to lecture and consult with East European universities and legislative organizations. Training and internships will be offered to young journalists to introduce them to the practices and policies of the U.S. news media, within the context of the American culture, society and political system. A total of $1,650,000 has been allocated for these initiatives each year in 1990 and 1991.

The administration of exchange programs has been affected by the rapid pace of change and reorganization in these countries. As a consequence of the deterioration of the administrative structure, as well as in keeping with our mutual interest in expanding programs, negotiations have begun with the USSR, Poland and Hungary to establish educational exchange offices similiar in form and function to the binational commissions through which exchange activity in most of Western Europe is channeled. It is hoped that agreement will soon be reached with Poland and Hungary on this initiative, and that these countries will become models for more normal exchange relationships with all of Eastern Europe.

The Agency is also responding to the new political climate in the area with other types of exchange activities. First-ever awards of University Affiliations grants for faculty exchanges between U.S. and Soviet and Polish universities were made in 1989, and in 1990, the Hubert H. Humphrey Fellowship Program is expanding to include Poland, Czechoslovakia, Bulgaria, and Hungary. Also in 1990, the Agency will initiate secondary teacher exchange programs in Czechoslovakia and East Germany, following the successful introduction of this program in Bulgaria and Poland in 1988. U.S. secondary school teachers fill a direct need in Eastern Europe as they introduce democracy to schools in a region which has a long tradition of education by authority. As mentioned, foreign ministries are specifically requesting teachers of American English since they will be able to instruct students in the accepted language of business, technology and computers.

The International Visitor Program in Eastern Europe and the Soviet Union is responding to the new and unique opportunities democratic reforms have made possible. The Agency is now able to invite a new kind of visitor from Eastern Europe - politicians, economists, journalists, government officials and free trade union leaders. Thus, the IV Program will bring to the U.S. those individuals who will shape the governments and institutions in these countries.

The increase of $677,968 in 1991 is requested for mandatory cost increases above the base program.

SOVIET UNION AND EAST EUROPE

Academic Exchanges

	1989 ACTUAL				1990 ESTIMATE				1991 ESTIMATE				INCREASE OR DECREASE (-)	
	No. of Grants				No. of Grants				No. of Grants					
	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	Foreign	U.S.	Total	Funds	No. of Grants	Funds
Bulgaria	14	9	23	446,410	13	13	26	621,006	13	13	26	659,980	--	38,974
Czechoslovakia	18	18	36	796,691	18	18	36	908,116	18	18	36	962,280	--	54,164
German Democratic Republic	9	9	18	447,079	9	11	20	444,487	9	11	20	474,467	--	29,980
Hungary	30	18	48	795,606	20	19	39	986,805	20	19	39	1,045,466	--	58,661
Poland	28	26	54	1,202,601	29	28	57	1,464,257	29	28	57	1,549,900	--	85,643
Romania	7	13	20	618,881	20	14	34	891,092	20	14	34	942,258	--	51,166
U.S.S.R.	32	32	64	556,132	40	40	80	1,054,860	40	40	80	1,175,115	--	120,255
Yugoslavia	51	45	96	1,626,554	50	43	93	1,601,377	50	43	93	1,740,144	--	138,767
Samantha Smith	1,373	1,403	2,776	3,052,802	909	909	1,818	2,000,000	909	909	1,818	2,000,000	--	--
East Europe Initiative	--	--	--	--	47	2	49	1,150,000	47	2	49	1,150,000	--	--
S/T, Grantee Costs	1,562	1,573	3,135	9,542,756	1,155	1,097	2,252	11,122,000	1,155	1,097	2,252	11,699,610	--	577,610
Cooperation with Private Institutions	--	--	--	1,681,000	--	--	--	1,650,000	--	--	--	1,650,000	--	--
Other Program Expenses:														
Contract Agency Costs	--	--	--	788,363 *	--	--	--	1,681,000	--	--	--	1,748,240	--	67,240
Program Support Costs	--	--	--	268,536	--	--	--	370,000	--	--	--	370,000	--	--
Other Academic Expenses	--	--	--	155,104	--	--	--	136,400	--	--	--	136,400	--	--
S/T, Other Prog Expenses	--	--	--	1,212,003	--	--	--	2,187,400	--	--	--	2,254,640	--	67,240
Total	1,562	1,573	3,135	12,435,759	1,155	1,097	2,252	14,959,400	1,155	1,097	2,252	15,604,250	--	644,550
Deduct Foreign Government Contributions	xxx	xxx	xxx	--	xxx	xxx	xxx	--	xxx	xxx	xxx	--	xxx	--
Total, USG Funds	xxx	xxx	xxx	12,435,759	xxx	xxx	xxx	14,959,400	xxx	xxx	xxx	15,604,250	xxx	644,850
Deduct Reimbursements	xxx	xxx	xxx	(90,000)	xxx	xxx	xxx	(90,000)	xxx	xxx	xxx	(90,000)	xxx	--
Total, Direct Obligations	xxx	xxx	xxx	12,345,759	xxx	xxx	xxx	14,869,400	xxx	xxx	xxx	15,514,250	xxx	644,850

* Contract Agency Costs in 1989 reflect partial costs for a major contract agency in order to adjust funding to USG fiscal year basis.

SOVIET UNION AND EAST EUROPE
International Visitors

	1989 ACTUAL		1990 ESTIMATE		1991 ESTIMATE		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Bulgaria	8	45,896	10	66,058	10	68,141	--	2,083
Czechoslovakia	24	107,656	17	112,299	18	115,840	--	3,541
German Democratic Republic	4	24,837	5	37,279	5	38,320	--	1,041
Hungary	26	131,617	21	148,718	22	153,092	--	4,374
Poland	40	243,371	31	236,896	32	243,353	--	6,457
Romania	3	14,524	10	66,058	10	68,141	--	2,083
USSR	24	149,860	14	116,771	14	119,687	--	2,916
Yugoslavia	61	374,704	51	390,957	52	401,580	--	10,623
East European Initiative	--	--	78	500,000	78	500,000	--	--
Total, Grant Programs	190	1,092,465	237	1,675,036	241	1,708,154	--	33,118
Other Program Expenses:								
Contract Agency Costs	--	754,747	--	781,792	--	781,792	--	--
Escort Interpreter Costs	--	787,404	--	787,404	--	787,404	--	--
Group Project Costs	--	128,005	--	128,005	--	128,005	--	--
Non-Sponsored Visitor Program	--	105,711	--	105,711	--	105,711	--	--
Program Support	--	42,679	--	42,679	--	42,679	--	--
Other Program Expenses	--	69,329	--	69,329	--	69,329	--	--
Total, Other Program Expenses	--	1,887,875	--	1,914,920	--	1,914,920	--	--
Total, Exchanges	190	2,980,340	237	3,589,956	241	3,623,074	--	33,118
Deduct Reimbursements	--	(17,894)	--	(17,894)	--	(17,894)	--	--
Total, Direct Obligations	190	2,962,446	237	3,572,062	241	3,605,180	--	33,118

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

WORLDWIDE PROGRAMS (1989 Actual, $7,743,922; 1990 Estimate, $7,754,040; 1991 Estimate, $7,754,040; No Change).

1. University Affiliations Program (1989 Actual, $1,347,214; 1990 Estimate, $1,500,000; 1991 Estimate, $1,500,000; No Change).

The University Affiliations Program provides seed money for the development of partnerships between U.S. and foreign institutions in the fields of humanities, social sciences, education and communications. Grants covering a two-to-three year period support the travel and daily living expenses of reciprocal faculty and staff exchanges with the institutions maintaining their participants on full salary and benefits during the exchanges. Grants are awarded through an annual competition announced in the Federal Register on the basis of academic quality and responsiveness to USIA's objectives. In addition to the general grants competition, special grant categories are periodically included in order to promote such activities as the exchange of secondary school teachers, the observance of the 1992 Columbian Quicentenary, or exchanges in a particular region. Since the program was established in 1982, 205 grants have been awarded to support university affiliations around the world.

2. Teacher Exchange Program (1989 Actual, $1,461,040; 1990 Estimate, $1,461,040; 1991 Estimate, $1,461,040; No Change).

The Teacher Exchange Program exchanges 400-500 teachers annually, mostly at the secondary level, with East and West Europe, Canada, Africa, East Asia and Latin America. In many teacher exchanges, costs are primarily administrative for recruitment, screening, orientation, and enhancement programming. In countries where teacher salaries are low, supplements are provided. Two-way teacher exchanges are especially effective because the participants are generally accompanied by their families and have multiple opportunities to become involved in the community. In this situation, there is total immersion in the host culture which produces many lasting relationships. Moreover, two-way interchanges are extremely cost-effective because participating institutions pay the full salary of the teachers in return for the services of the visiting exchange teacher.

3. Secondary School Programs and Consulting Specialists (1989 Actual, $3,244,745; 1990 Estimate, $2,840,000; 1991 Estimate, $2,840,000; No Change).

The Agency administers a variety of programs aimed at bringing foreign secondary school educators to the United States for a first hand look at American society, political institutions and the character of its people. The aim is to open the minds of those responsible for the presentation of the U.S. in foreign textbooks and teaching curricula and promote a more objective and accurate portrayal of our country to an audience in its formulative stage. The Agency also sends American educational and cultural professionals overseas to train and consult with foreign counterparts on a wide variety of matters, ranging from the teaching of English as a foreign language, conducting workshops or master classes in the performing arts, to the development of communications training programs. These often lead to follow-on linkages between private U.S. and foreign institutions.

4. Direct University Exchange Program (1989 Actual, $365,586; 1990 Estimate, $350,000; 1991 Estimate, $350,000; No Change).

This activity facilitates the exchange of university-level students between U.S. and foreign institutions on a per student reciprocal basis. Exchanges are arranged at the undergraduate, graduate, and post-doctoral levels in all academic disciplines, and range in length from one academic term to two years. Students participating in this exchange pay tuition, room and board to their home institutions and pay the cost of books, supplies, and international travel. The funds provided under this activity support the administrative network which arranges the exchanges between universities.

5. Collaborative Research Grants (1989 Actual, $250,000; 1990 Estimate, $250,000; 1991 Estimate, $250,000; No Change).

This activity funds proposals for joint research abroad by teams of two or three U.S. graduate students or recent post-graduate researchers. All members of a team involved in a joint grant carry out their research in one country abroad in the same academic year. Although research does not need to be carried out simultaneously, individual team members are required to carry out research within the host country for a minimum of six months.

6. Advising and Student Services (1989 Actual, $784,172; 1990 Estimate, $803,000; 1991 Estimate, $803,000; No Change).

This program provides printed and audio-visual materials and equipment to Fulbright Commissions and their affiliated offices to facilitate the distribution of accurate and up-to-date information about higher education in the United States. Also included are professional development grants for international exchange specialists who facilitate the access and entrance of qualified foreign students and scholars at the post-secondary level. In order to monitor the flow and trends of foreign student movement in the U.S., the program also funds the annual collection of statistics that make up the annual publication of Open Doors and the biennial Profiles, both of which give analyses of data on foreign students by country of origin, field of study, et al.

7. Library/Book and English Teaching Fellows (1989 Actual, $291,165; 1990 Estimate, $550,000; 1991 Estimate, $550,000; No Change).

This program places American library and publishing professionals and English teaching professionals in institutions overseas for periods of several months to one year. The Library/Book Fellows Program is administered for USIA by the the American Library Association. In 1989 grants were awarded to eight information professionals to work in local institutions in Swaziland, Jamaica, New Zealand, Taiwan, Ireland, Norway, India and Syria. It is estimated that 10 fellows will participate in the 1990 program. In 1989 there were 15 English teaching fellows in all areas of the world except Europe. Fifteen fellows are projected for 1990.

B. Hubert H. Humphrey Fellowship (1989 Actual, $5,000,000; 1990 Estimate, $5,123,000; 1991 Estimate, $5,328,000; Increase, $205,000).

The Hubert H. Humphrey Fellowship Program is designed for promising mid-career professionals from Third World countries in public service fields. The program offers a year of graduate-level coursework at selected U.S. universities and related professional activities off campus. Nomination and selection procedures are designed to target individuals in mid-career with demonstrated potential for leadership in public service. As public and private sectors play important roles in the development process, nominees are drawn from both areas. Priority fields of programming include planning and resource management (human, financial and material), public administration, health and nutrition, and agriculture. The program is implemented under contract for USIA by the Institute of International Education.

The Humphrey Fellowship Program provides tangible recognition of the increasing importance of the Third World to our long-term national interests. It is a significant link with future leaders who might otherwise have no direct experience with the United States. In 1990, the program will be extended to Poland, Czechoslovakia, Bulgaria, and Hungary.

This program was launched in September, 1979 when 27 Fellows were selected and based at eleven universities in the United States. The program to date has reached 1,264 mid-career professionals from over 100 countries in the developing world. The 1991 request would provide for approximately 134 Fellowships. The increase of $205,000 is requested to meet full-year and new inflationary cost increases.

C. Congress-Bundestag Youth Exchange (1989 Actual, $2,500,000; 1990 $2,465,000; 1991 Estimate, $2,465,000; No Change).

The Congress-Bundestag Youth Exchange Program, jointly sponsored by the U.S. Congress and the West German Bundestag, is intended to strengthen ties between the successor generations in the two countries. With costs equally shared by Congress and the Bundestag, the program provides full scholarships for a year of study, homestay, and in the "Young Professionals" component, work-internship. In 1989/90, 386 American and 385 German youth participated in the exchange program; in 1990/91, 365 Americans and 365 Germans will participate.

D. Institute for Representative Government (1989 Actual, $540,000; 1990 Estimate, $532,000; 1991 Estimate $--; Decrease, $-532,000).

In 1988, 1989 and 1990 funds were earmarked by the Congress for a three-year program for the exchange of persons and other exchange related activities with legislators and legislatures of developing countries through the Institute of Representative Government, a subsidiary of the United States Association of Former Members of Congress. A total of $1,612,000 has been provided for the three year project through 1990, including completion funding of $532,000 in 1990.

E. Private Sector Programs (1989 Actual, $9,399,000; 1990 Estimate, $9,089,000; 1991 Estimate, $9,205,000; Increase, $116,000).

This activity provides selective assistance and grant support to non-profit activities of tax-exempt organizations and institutions that work in parallel with the Agency's mission and that are designed to promote mutual understanding between the people of the U.S. and other countries. Projects supported include international people-to-people exchange components with a lasting impact on the participants.

Current year programs include cooperative efforts with private organizations in support of bilateral agreements and traditional private sector exchange programs, and for priority programs in support of Agency objectives. The 1989 program included funds provided by the Congress for the World Ski Championships at Vail, Colorado ($313,000) and the Seattle Goodwill Games ($500,000). The Government's support to the Eisenhower Fellowships will be completed in 1991 with the utilization of $1,737,000 in prior year balances.

The net increase of $116,000 in 1991 is requested for mandatory cost increases of $326,000 partially offset by a programmatic adjustment of $210,000.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Summary of Direct Obligations by Program Activity

The following chart provides a recapitulation of the direct obligations of the programs funded under this appropriation. The preceding charts for the specific areas and countries provide a detailed breakdown of all funds utilized in the programs, including foreign government contributions, whereas the following summary depicts appropriated funds only.

Summary of Requirements	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Academic Exchanges (Other than CAMPUS) ..	$ 89,174,391	$ 92,317,800	$ 93,548,792	$ 1,230,992
Central American Program for Undergraduate Students (CAMPUS)	3,217,690	3,245,000	3,187,008	-57,992
International Visitor Exchanges	40,211,919	42,079,200	42,638,200	559,000
Hubert H. Humphrey Fellowships	5,000,000	5,123,000	5,328,000	205,000
Congress-Bundestag Exchanges	2,500,000	2,465,000	2,465,000	--
Institute for Representative Government .	540,000	532,000	—	-532,000
Private Sector Programs	9,094,000	8,784,000	8,900,000	116,000
Total, Direct Funds	149,738,000	154,546,000	156,067,000	1,521,000
Reconciliation to Appropriation:				
Deduct Balances Carried In	- 1,651,000	-1,953,000	-1,737,000	216,000
Add Balances Carried Out	1,953,000	1,737,000	—	-1,737,000
Enacted and Estimated Appropriations .	150,040,000	154,330,000	154,330,000	--

RADIO BROADCASTING TO CUBA

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements..	$11,175,000	$12,537,000	$15,069,000	$2,532,000

General Statement

The Voice of America: Radio Marti Program began broadcasting 14.5 hours per day on May 20, 1985. The station went to 17.5 hours per day on February 10, 1986 and to 24-hour operation on March 20, 1989, when the Marathon modernization was completed.

News from various sources, such as VOA's news service, national and international wire services, and Radio Marti reporters and correspondents around the world, is aired every half hour. A full 30-minute newscast is aired four times a day. Particular attention is given to political, economic, military, and diplomatic activities in the Soviet Union, Eastern Europe, Africa Central America, and other places in which Cuba is involved or with which Cuba has shared a common ideology.

Radio Marti's programming is composed of various segments. These include "Testimonial," which features Cuban exiles telling of their experiences in significant events in Cuba; "Roundtable," which brings together experts from particular disciplines to discuss a specific current issue with a moderator; "Focus," which centers on important political, economic, and sociological events of interest to Cubans, and "Cuba Without Censorship," a program which brings to light stories which the Castro regime has kept from the Cuban people.

In response to the historic events taking place in Eastern Europe, Radio Marti has been airing programs specifically aimed at keeping Cubans abreast of events in the Soviet Union and Eastern Europe. Excerpts from Moscow News, which has been banned in Cuba, are aired weekly. "The Socialist World in Transition" tells of events occurring throughout socialist countries.

In the important area of human rights, Radio Marti has a range of programs aimed at informing the Cuban people. "Human Rights Update" monitors human rights conditions around the world. "Cuban, These Are Your Rights" explains Cubans' human, civic, and legal rights. "Face to Face" is a dramatization based on actual human rights cases.

RADIO BROADCASTING TO CUBA

The station also plays a wide variety of music and features art, cultural, and family programs. There are also Jose Marti apothegms every half hour and a popular soap opera. A Program and News Bureau located in Miami produces programming material from sources unique to that area.

Radio Marti continues to have a powerful impact in Cuba. On January 11, 1990, the Wall Street Journal wrote: "Radio Marti is the most listened-to station on the island." And one Cuban journalist in exile wrote: "To speak of Radio Marti is to speak of the most-heard radio station in Cuba. ...It is the only medium through which Cubans can find out what goes on in the world as well as something very important: what goes on in their own country."

The net increase of $2,532,000 in 1991 is requested to provide $918,516 to offset a decrease in prior-year balances available for application to program needs in 1991; $62,561 for full-year costs of Federal pay raises effective for part of 1990 and $230,278 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $453,487 to fund additional staff and related support costs required to expand live news coverage to 24 hours a day; $76,037 for other built in salary changes; $50,000 for the purchase and installation of equipment to replace an outdated Production Console; $300,000 for the purchase of a station license (frequency) to be used as an alternate for 1180 kHz; $600,000 for the purchase of land on which to build a transmitting station; and $198,121 for domestic cost increases in 1991.

These increases are partially offset by non-recurring costs of $357,000, consisting of savings of $30,000 due to the return of the backup transmitter site at Saddlebunch, Florida, to the U.S. Army; $102,000 related to the purchase and installation of an Emergency Communication System between Washington and Marathon; $210,000 for a contract to store data from Cuban periodicals as a reference source in the Information Center; and $15,000 related to the Agency's conversion to FTS 2000 telephone service.

RADIO BROADCASTING TO CUBA

Summary of Requirements

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	181	181	181	--	4
FUNDS:					
A. Domestic Employee Compensation and Benefits	$7,314,717	$7,674,369	$8,406,742	$ 732,373	4
B. Indirect and Worldwide Programs					
1. News and Programs	1,000,959	1,039,046	1,081,676	42,630	6
2. Research	890,331	1,183,333	1,009,434	-173,899	7
3. Technical Operations	920,002	960,638	912,291	-48,347	8
Subtotal	2,811,292	3,183,017	3,003,401	-179,616	
C. Program Direction and Administration	2,563,205	2,598,130	2,758,857	160,727	10
D. Feasibility Study: Television Broadcasting to Cuba	21,035	--	--	--	11
E. Acquisition and Construction of Radio Facilities	68,199	--	900,000	900,000	11
Total, Direct Obligations	12,778,448	13,455,516	15,069,000	1,613,484	
Reconciliation to Enacted and Pending Appropriations:					
Recovery of Prior-Year Obligations	-126,266	--	--	--	
Balances Carried In	-2,395,698	-918,516	--	918,516	
Balances Carried Out	918,516	--	--	--	
Enacted and Pending Appropriations	11,175,000	12,537,000	15,069,000	2,532,000	

RADIO BROADCASTING TO CUBA

Explanation of Requirements

FUNDS:

A. Domestic Employee Compensation and Benefits (1989 Actual, $7,314,717; 1990 Estimate, $7,674,369; 1991 Estimate, $8,406,742; Increase, $732,373).

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
News and Programs....................	93	$3,782,247	93	$3,951,287	93	$4,432,381	--	$481,094
Research	30	1,239,154	30	1,285,200	30	1,350,274	--	65,074
Technical Operations.................	30	1,174,309	30	1,216,584	30	1,350,729	--	134,145
Program Direction and Administration..	28	1,119,007	28	1,221,298	28	1,273,358	--	52,060
Total............................	181	7,314,717	181	7,674,369	181	8,406,742	--	732,373

The increase of $732,373 requested in 1991 will provide $62,561 for full-year costs of Federal pay raises effective for part of 1990 and $230,278 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; $363,497 for additional staff work-years required to expand live news coverage to 24 hours a day; and $76,037 for other built in salary changes.

RADIO BROADCASTING TO CUBA

The principal elements of the Radio Marti Program of the Voice of America and their major functions and activities are:

News and Programs are the two principal programming elements of the Radio Marti Program, responsible for writing, producing and broadcasting seven days a week. In March 1989 the broadcast hours were increased from 17 1/2 to 24 hours a day. The News Department, with a staff of 47, is responsible for writing and producing newscasts, correspondent reports, background reports and news features. The News staff is headed by a Chief and Deputy Chief and includes a staff of writers and editors, as well as a foreign correspondents staff, sports staff and reporters based in Washington and Miami. The Programs Department, with a staff of 46, headed by a Chief and a Deputy Chief, is responsible for all programming other than news and includes a staff of writers who prepare a variety of program scripts, a Music Library, Announcers, and a Production Unit. There is also a News and Programs Bureau in Miami.

Research, with a staff of 30, is responsible for conducting extensive research into Cuban affairs, including analyses of the Cuban economy, agriculture, political trends (foreign and domestic) and developments across the entire spectrum of Cuban society. The Office of Audience Research evaluates the effectiveness of the programming in meeting audience needs. Audience Research also conducts focus groups on programming with recent Cuban arrivals. Research and Policy monitors Cuban media, includes an extensive reference library, and produces a Cuba Situation Report. Research specialists are based in Miami and Washington. The Director and Deputy Director of Research are based in Washington.

Technical Operations, a 30-person staff, is responsible for studio operations in Washington and Miami as well as the operation of the transmitter site on Marathon Key, Florida. The Technical Operations staff is also responsible for maintenance of equipment and technical facilities.

Program Direction and Administration is the 28-person staff, headed by the Director, Radio Marti Program, responsible for the management of the Program as well as direction and oversight of all news and programming operations. The Office of the Director includes an Administrative Department and a Personnel Department.

RADIO BROADCASTING TO CUBA

B. Indirect and Worldwide Programs (1989 Actual, $2,811,292; 1990 Estimate, $3,183,017; 1991 Estimate, $3,003,401; Decrease, $-179,616).

This estimate provides funds for program expenses as follows:

Office	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
1. News and Programs............................	$1,000,959	$1,039,046	$1,081,676	$ 42,630
2. Research and Policy..........................	890,331	1,183,333	1,009,434	-173,899
3. Technical Operations.........................	920,002	960,638	912,291	-48,347
Total, Indirect and Worldwide Programs....	2,811,292	3,183,017	3,003,401	-179,616

1. News and Programs (1989 Actual, $1,000,959; 1990 Estimate, $1,039,046; 1991 Estimate, $1,081,676; Increase, $42,630).

News and Programs include the management, planning, preparation and production of the programs and newscasts broadcast by the Radio Marti Program. The News Department produces newscasts, correspondent reports, background reports and news features, including sports. It uses wire services, the VOA news wire, and its own reporters and contract correspondents throughout the world. It provides the Cuban audience with news and information that is both current and impartial. In addition to coverage of major world events, the Department of News gives special consideration about events happening in Cuba. The Programs Department is responsible for producing and broadcasting all programming other than news. These programs are designed to satisfy the audience's need for a wide variety of programs of both an informative and entertaining nature. Public affairs, cultural, music, and general entertainment programs are offered. A News and Programs Bureau in Miami provides news and produces entertainment programs, calling upon the wealth of talent and resources unique to Miami.

RADIO BROADCASTING TO CUBA

Item of Expense	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Travel Costs	$ 24,073	$ 64,800	$ 69,984	$ 5,184
Talent (Stringers/Roundtables/Documentaries)	570,148	605,895	625,890	19,995
Newswire Services	274,601	241,286	254,544	13,258
Program Acquisitions	113,360	99,740	103,031	3,291
Music/Production Library	18,777	27,325	28,227	902
Total, Program Operations	1,000,959	1,039,046	1,081,676	42,630

The net increase of $42,630 is requested to provide for domestic cost increases in 1991.

2. Research (1989 Actual, $890,331; 1990 Estimate, $1,183,333; 1991 Estimate, $1,009,434; Decrease, $-173,899).

The Radio Marti Program is responsible for the transmission of information and ideas to the people of Cuba, in particular information about Cuba and events in Cuba. A significant amount of research materials, supporting equipment, supplies, and staff effort are required to gather adequate and reliable information about Cuba to fulfill this aspect of the legislative mandate. The research staff is responsible for gathering and compiling such information, which helps Radio Marti Program management to decide issues upon which to focus and provides support for public affairs programs. The Information Center furnishes access to materials required for research. The Office of Audience Research helps to determine the needs of the Cuban audience, survey listener response, and evaluate the effectiveness of the programming in meeting audience needs. The extensive research effort enhances the accuracy and balance of Radio Marti's programming.

RADIO BROADCASTING TO CUBA

Item of Expense	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Travel Costs	$ 22,052	$ 51,440	$ 55,555	$ 4,115
Media Monitoring	7,616	16,795	17,349	554
Audience Research	237,307	252,600	260,936	8,336
Library and Information Processing	314,762	514,753	319,673	-195,080
Research and Analysis	308,594	347,745	355,921	8,176
Total, Research	890,331	1,183,333	1,009,434	-173,899

The net decrease of $173,899 results from non-recurring costs of $210,000 for a contract to convert Cuban periodicals into data to be stored as a reference material in the Information Center, partially offset by an increase of $36,101 for domestic cost increases.

3. Technical Operations (1989 Actual, $920,002; 1990 Estimate, $960,638; 1991 Estimate, $912,291; Decrease, $-48,347).

The basic role of Technical Operations is to transmit programs with the best signal possible to Cuba. Substantially all programs originate in Washington, D. C., studios. From this location, a satellite circuit is used to provide program material to the AM broadcast facility in Marathon, Florida. The Technical Operations staff is also responsible for the maintenance of equipment and technical facilities.

RADIO BROADCASTING TO CUBA

Item of Expense	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Travel Costs	$ 27,353	$ 41,451	$ 44,767	$ 3,316
Satellite Lines	107,654	112,207	115,910	3,703
Security (Marathon)	238,459	240,935	248,886	7,951
Operations (Marathon & Saddlebunch)	187,840	313,860	192,217	-121,643
Monitoring Cost for FCC	25,000	28,800	29,750	950
Radio Equipment	202,030	77,925	130,500	52,575
Recording Tape	63,363	67,535	69,764	2,229
Replacement Parts, Services and Supplies	68,303	77,925	80,497	2,572
Total, Technical Operations	920,002	960,638	912,291	-48,347

The net decrease of $48,347 results from non-recurring costs of $102,000 for the purchase and installation of an Emergency Communications System from Washington to Marathon; and $30,000 for the operation of the backup site at Saddlebunch, Florida, which will no longer be needed as a back-up facility. This decrease is offset, in part, by an increase of $50,000 for the purchase and installation of a Production Console to replace the outdated console now in use; and $33,653 for domestic cost increases in 1991.

C. Program Direction and Administration (1989 Actual, $2,563,205; 1990 Estimate, $2,598,130; 1991 Estimate, $2,758,857; Increase, $160,727).

These funds provide program expenses for the Director of the Radio Marti Program and associated staff functions, including the Departments of Administration and Personnel and the Advisory Board.

Item of Expense	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Recruitment, Orientation and Training........	$ 86,765	$ 53,740	$ 55,513	$ 1,773
Payments to GSA for Domestic Space...........	1,102,322	1,193,007	1,232,376	39,369
Renovation of Domestic Space.................	126,578	25,975	55,432	29,457
Communications (Telephone/Telex).............	332,599	367,230	363,355	-3,875
ADP Equipment Purchase and Maintenance.......	202,495	196,630	203,119	6,489
Office Equipment and Furnishings.............	25,320	25,975	66,252	40,277
Security Expenses............................	295,751	323,460	356,104	32,644
Home Leave, Transfer and Related Costs.......	24,455	15,000	15,495	495
Advisory Board...............................	12,843	32,855	33,939	1,084
Other Expenses...............................	354,077	364,258	377,272	13,014
Total, Program Direction and Administration	2,563,205	2,598,130	2,758,857	160,727

The net increase of $160,727 is requested to provide $89,990 for costs associated with hiring of new staff to expand live news coverage to 24 hours a day, such as security clearances, office furnishings and office equipment; and $85,737 for domestic cost increases in 1991. These increases are partially offset by savings of $15,000 related to the Agency's conversion to the FTS 2000 telephone service.

D. Feasibility Study: Television Broadcasting to Cuba (1989 Actual, $21,035; 1990 Estimate, $--; 1991 Estimate, $--; No Change).

This activity provided funds in 1989 for residual costs from the initial expenditures for feasibility studies conducted in 1988.

RADIO BROADCASTING TO CUBA

E. Acquisition and Construction of Facilities (1989 Actual, $68,199; 1990 Estimate, $--; 1991 Estimate, $900,000; Increase, $900,000).

In 1991, an increase of $900,000 is requested under this activity for the purchase of an alternate frequency (1600 kHz) and land for a new transmitter site. Under the Radio Broadcasting to Cuba Act, the U. S. Information Agency has been assigned the mission of providing for "...the open communication of information and ideas through the use of radio broadcasting to Cuba." Consistent with this mission, Radio Marti has been operating on 1180 kHz under frequency assignments from the National Telecommunications and Information Administration. To ensure that we would be able to continue to reach the people of Cuba should Cuban jamming of our broadcasts on 1180 kHz increase significantly, we require an alternate frequency that can be tuned in on existing medium frequency receivers available in Cuba.

We have reviewed several alternatives for obtaining an alternate frequency for Radio Marti. We believe the best option is the purchase of a station license (frequency) for approximately $300,000 and a suitable parcel of land (about 10 acres) on which to build a transmitting station. There is land currently available near our Marathon site for approximately $600,000. One-time costs for construction of an antenna system, a building to house transmitters, security enhancements, and purchase of 50 kw transmitters, generators, and other supplies and equipment will be approximately $3,000,000 (to be requested in FY-1992). Annual operating costs, which include guard service, electricity, spare parts and other miscellaneous services, are estimated at $400,000.

The station will be operated by remote control, and employees from the Marathon transmitter site wi [illegible] avel to perform maintenance and necessary repairs on equipment. No additional positions will be required

Item of Expense	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Marathon Upgrade, Permanent Building.........	$ 68,199	$ --	$ --	$ --
Purchase of Station License (Frequency)......	--	--	300,000	300,000
Purchase of Land in Florida Keys............	--	--	600,000	600,000
Total, Acquisition and Construction of Radio Facilities........................	68,199	--	900,000	900,000

RADIO BROADCASTING TO CUBA

Recapitulation of Total Costs by Activity

Program Activity	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
News and Programs	$ 4,783,206	$ 4,990,333	$ 5,514,057	$ 523,724
Research and Policy	2,129,485	2,468,533	2,359,708	-108,825
Technical Operations	2,094,311	2,177,222	2,263,020	85,798
Program Direction and Administration	3,682,212	3,819,428	4,032,215	212,787
Feasibility Study: Television Broadcasting to Cuba	21,035	--	--	--
Acquisition and Construction of Radio Facilities	68,199	--	900,000	900,000
Total, Direct Obligations	12,778,448	13,455,516	15,069,000	1,613,484
Reconciliation to Enacted and Pending Appropriations:				
Recovery of Prior-Year Obligations	-126,266	--	--	--
Balances Carried In	-2,395,698	-918,516	--	918,516
Balances Carried Out	918,516	--	--	--
Enacted and Pending Appropriations	11,175,000	12,537,000	15,069,000	2,532,000

OFFICE OF INSPECTOR GENERAL

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Summary of Requirements....................................	$3,477,716	$3,624,000	$4,123,000	$499,000

General Statement

The Office of Inspector General, which was given statutory status on August 27, 1986, by P.L. 99-399, conducts, supervises, and coordinates audits, inspections, and investigative inquiries relating to programs and operations of the Agency. In addition, the Office of Inspector General provides leadership and coordination, and recommends policies to promote economy, efficiency, and effectiveness, and to prevent and detect fraud and abuse in the administration of the Agency's programs and operations. Further, the Inspector General keeps the Director and Congress fully and currently informed about how well such programs and operations are being administered, the problems and deficiencies existing in such programs and operations, and the necessity for and progress of corrective actions. The Inspector General also reports expeditiously to the Attorney General suspected violations of Federal criminal law and operates the OIG Hotline for receiving employee ("whistleblower") complaints. The Inspector General reports to and is under the general supervision of the USIA Director.

Fiscal year 1989 was the Office of Inspector General's third year as a statutory office operating under the authority granted by the Inspector General Act of 1978 and the Omnibus Diplomatic Security and Antiterrorism Act of 1986. During the fiscal year, OIG issued 37 audit and 14 inspection reports evaluating USIA's worldwide activities to determine whether its programs and operations were executed efficiently, and in accordance with applicable laws and regulations. The reports dealt with various aspects of domestic and overseas programs and operations, grant and contract activities, and inspections of overseas posts. OIG continued to focus its efforts on the review of Agency bureaus and offices expending the major portions of the Agency's budget on those activities considered most vulnerable to loss or abuse, and issues of concern to the Agency and the Congress. In addition, 57 investigative cases were opened and 32 closed.

a/ In 1989, funds for the Office of Inspector General (OIG) were included in the Agency's Salaries and Expenses appropriation. For the 1990 and 1991 budgets, a separate appropriation account was established for the OIG pursuant to Section 108 of the Inspector General Act Amendments of 1988 (P.L. 100-504). For comparative purposes, the justifications that follow include the 1989 S&E funded OIG costs.

OFFICE OF INSPECTOR GENERAL

The net increase of $499,000 is requested to provide $46,062 for inflationary cost increases for travel ($37,900), transportation of things ($20), communications ($139), printing and reproduction ($187), contract services ($7,391), supplies ($260), and equipment ($165); $23,803 for health insurance and FICA cost increases; $11,647 for an additional day's pay in 1991; $26,637 for full-year costs of the Federal pay raises effective for part of 1990 and $164,278 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase; and $26,573 for built-in increases for administrative expenses. In addition an increase of $200,000 and five positions is requested to strengthen audits, investigations, and inspections, consisting of $150,000 for salaries and benefits, $34,425 for start-up costs, and $15,575 for related program expenses.

The individual units within the Office of Inspector General and their major functions and activities are:

The Immediate Office of Inspector General is responsible for the overall planning and direction of audits, investigations and inspections. The 1991 estimate provides for a staff of three positions.

The Assistant Inspector General for Audits supervises the conduct of all auditing activities relating to the Agency's programs and operations, including overseas activities. Based on audit findings, changes in regulations, policies and procedures are recommended to ensure adequate financial accountability and reporting, efficient and economical use of resources, and effective achievement of desired results. Generally, audits of overseas posts are performed in conjunction with inspections on a cyclical basis ranging from every seven to ten years. Grantees and contractors, as well as the Agency's various programs and operations, are audited on as timely a basis as possible, considering such factors as time since the agreement or contract expired, dollar amount, Agency concern or interests, audit history, Congressional concern or interests, and available resources. The 1991 estimate provides for a staff of twenty-one positions.

The Assistant Inspector General for Investigations supervises the conduct of all investigative activities relating to the Agency's programs and operations, including overseas activities. The office also operates the OIG Hotline for receiving information from employees and others concerning potential violations of law, rule or regulation, mismanagement, gross waste of funds, or abuse of authority; and plans, conducts and coordinates special inquiries or investigations concerning potential waste, fraud and abuse. The 1991 estimate provides for a staff of ten positions.

The Assistant Inspector General for Inspections supervises the inspection of overseas and domestic operations. Particular attention is directed to effectiveness in supporting the achievement of U.S. foreign policy objectives, in managing Agency resources, and in coordinating Agency activities with other offices, agencies, and private organizations when appropriate. Post inspections are scheduled on a seven to ten-year cycle but may occur on an ad hoc basis in response to special requests from Congress and Agency management. As appropriate, inspections are done in conjunction with audits. The 1991 estimate provides for a staff of fifteen positions.

OFFICE OF INSPECTOR GENERAL

The Office of Administration and Management is responsible for such administrative activities as budget, accounting, procurement, contracting, personnel, training, ADP operations and applications, management information systems, property management, facilities, policy directives and reference library. This office is also responsible for certain management tasks including congressional liaison, legislative review, liaison with the President's Council on Integrity and Efficiency, and liaison with the Office of General Counsel on such matters as those dealing with the Freedom of Information Act and the Privacy Act. The 1991 estimate provides for a staff of six positions.

Summary of Requirements

	1989 Actual a/	1990 Estimate	1991 Estimate	Increase or Decrease (-)
POSITIONS:				
Domestic	50	50	55	5
FUNDS:				
A. Employee Compensation and Benefits	$2,695,738	$2,959,613	$3,335,978	$376,365
B. Program Expenses	786,147	664,387	787,022	122,635
Total, Gross Funds	3,481,885	3,624,000	4,123,000	499,000
C. Deduct Reimbursements	-4,169	--	--	--
Total, Direct Funds	3,477,716	3,624,000	4,123,000	499,000

a/ In 1989, funds for the Office of Inspector General (OIG) were included in the Agency's Salaries and Expenses appropriation. For the 1990 and 1991 budgets, a separate appropriation account was established for the OIG pursuant to Section 108 of the Inspector General Act Amendments of 1988 (P.L. 100-504). For comparative purposes, the justifications that follow include the 1989 S&E funded OIG costs.

OFFICE OF INSPECTOR GENERAL

Explanation of Requirements

FUNDS:

A. Employee Compensation and Benefits (1989 Actual, $2,695,738; 1990 Estimate, $2,959,613; 1991 Estimate, $3,335,978; Increase, $376,365).

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
Immediate Office of the Inspector General..	3	$ 206,282	3	$ 226,473	3	$ 243,795	--	$ 17,322
Audits..................................	19	1,028,647	19	1,129,337	21	1,275,714	2	146,377
Investigations..........................	8	429,448	8	471,485	10	567,546	2	96,061
Inspections.............................	14	783,384	14	860,067	15	955,849	1	95,782
Administration and Management............	6	247,977	6	272,251	6	293,074	--	20,823
Total, Gross Funds......................	50	2,695,738	50	2,959,613	55	3,335,978	5	376,365

The net increase of $376,365 is requested to provide $23,803 for health insurance and FICA cost increases, $11,647 for an additional day's pay in 1991, $26,637 for full-year costs of Federal pay raises effective for part of 1990, $164,278 for Federal pay raises scheduled for 1991, including an across-the-board 3 1/2 percent raise and an averaged 22 percent executive increase, and $150,000 for five new positions to strengthen audits, investigations, and inspections.

B. Program Expenses (1989 Actual, $786,147; 1990 Estimate, $664,387; 1991 Estimate, $787,022; Increase, $122,635).

The estimate provides funds for program expenses as follows:

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Immediate Office of the Inspector General...............	$ 5,936	$ 11,087	$ 14,883	$ 3,796
Audits..	480,576	233,859	268,865	35,006
Investigations..	30,471	61,911	88,621	26,710
Inspections...	173,392	323,419	372,818	49,399
Administration and Management...........................	95,772	34,111	41,835	7,724
Total, Gross Funds......................................	786,147	664,387	787,022	122,635

OFFICE OF INSPECTOR GENERAL

Detailed requirements by type of expense for individual units within the Office of Inspector General follow.

1. Immediate Office of the Inspector General (1989 Actual, $5,936; 1990 Estimate, $11,087; 1991 Estimate, $14,883; Increase, $3,796).

   These funds provide for travel within the United States and overseas by the Inspector General and Executive Assistant for oversight of audits, investigations, and inspections; training, seminar, and conference fees; and other administrative expenses. An increase of $3,796 is requested to provide for price increases in travel, training, and administrative expenses.

2. Audits (1989 Actual, $480,576; 1990 Estimate, $233,859; 1991 Estimate, $268,865; Increase, $35,006).

   These funds provide for travel within the United States and overseas, contract services, and other costs necessary to perform audits of Agency grants and contracts, as well as various programs and operations. Funds for contractual services of public accounting firms are needed for contract, grant, and selected operational audits. An increase of $35,006 is requested to provide for inflationary cost increases for travel and administrative expenses; and start-up, travel, and training costs for two additional auditor positions which will allow greater emphasis on high vulnerability programs and functions.

3. Investigations (1989 Actual, $30,471; 1990 Estimate, $61,911; 1991 Estimate, $88,621; Increase, $26,710).

   These funds provide for travel within the United States and overseas, contract services, and other administrative expenses necessary to investigate allegations of criminal fraud and other matters regarding USIA's worldwide programs and operations. An increase of $26,710 is requested to provide for inflationary cost increases for travel and administrative expenses; contract services to reduce the current backlog of investigations; and start-up, travel, and training costs for two additional investigator positions. The additional positions will enhance efforts in fraud prevention and proactive approaches to investigations and reduce the backlog of pending cases.

4. Inspections (1989 Actual, $173,392; 1990 Estimate, $323,419; 1991 Estimate, $372,818; Increase, $49,399).

   These funds provide for travel within the United States and overseas, training, and other administrative expenses necessary to perform inspections of Agency programs and operations. An increase of $49,399 is requested to provide for inflationary cost increases for travel, shipping, training, and administrative expenses; and start-up, travel, and training costs for one additional inspector position to aid in increased coverage of country program and domestic inspections.

5. Administration and Management (1989 Actual, $95,772; 1990 Estimate, $34,111; 1991 Estimate, $41,835; Increase, $7,724).

   These funds provide for program and miscellaneous administrative expenses for the office, such as telephone service, printing of the OIG Semiannual Report to Congress, equipment maintenance, ADP equipment and software, and office supplies. An increase of $7,724 is requested to provide for inflation costs for administrative expenses.

OFFICE OF INSPECTOR GENERAL

Recapitulation of Total Costs by Activity

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Immediate Office of the Inspector General	$ 212,218	$ 237,560	$ 258,678	$ 21,118
Audits	1,509,223	1,363,196	1,544,579	181,383
Investigations	459,919	533,396	656,167	122,771
Inspections	956,776	1,183,486	1,328,667	145,181
Administration and Management	343,749	306,362	334,909	28,547
Total, Gross Funds	3,481,885	3,624,000	4,123,000	499,000
Deduct Reimbursements	-4,169	--	--	--
Total, Direct Funds	3,477,716	3,624,000	4,123,000	499,000

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
APPROPRIATION REQUIREMENTS (Relationship of Appropriation Estimate to Current Appropriation)	$20,000,000	$20,430,000	$20,000,000	$-430,000

General Statement

The East-West Center (EWC) is a public, non-profit educational institution established in Hawaii in 1960 by the United States Congress through the Mutual Security Act of 1960, Public Law 86-472, with a mandate to "promote better relations and understanding among the nations of Asia, the Pacific and the United States through cooperative study, training and research." Programs focus on nearly 60 countries in the region extending eastward from Iran through Asia and from Australia across the Pacific Ocean to the United States. Some 2,000 research fellows, graduate students and professionals in business and government each year work with the Center's international staff on major Asia/Pacific issues relating to population, economic and trade policies, resources and development, the environment, culture and communication, and international relations.

Research projects at the Center are selected through an ongoing process of exploring regional needs and problems between the Center's staff and specialists from the region. Research is in progress, for example, on such topics as the environmental effects of ocean resource development, problems caused by expanding and migrating populations, impacts of cultural change, and the impact of economics and trade on development policy. Through collaborative efforts with colleagues in Asian and Pacific nations, the Center carries out research on these problems, working both in Hawaii and in the field. Conferences and workshops held throughout the region bring information and people together, summarize experience, introduce new knowledge, and ultimately try to implement possible solutions. This collaborative work has had considerable direct impact on policies and policymakers, and also has led to the publication of hundreds of books, articles, manuals and reference materials. In addition to working with current participants and maintaining contact with former participants, the Center works with several hundred cooperating educational institutions, research centers and governmental agencies in the region.

Since the Center's inception, approximately 29,000 men and women from Asia, the Pacific and the United States have worked with permanent staff as active participants in EWC programs. Included in this number are presidents of several countries and territories, prime ministers, cabinet ministers, governors, prominent scholars, educators, journalists and business leaders. Representing many nations and a variety of cultures, professions and disciplines, these participants provide the depth of personal experience, concern and innovation essential to EWC programs. Some are fully funded by EWC grants. Others participate on a cost sharing basis provided by cooperating institutions and organizations.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

Principal funding for the Center comes from the United States Congress. Support also comes from more than 20 Asian and Pacific governments, as well as private agencies and corporations. The Center has an international board of governors. The Center is also developing a capacity to generate a broader base of funding primarily through the East-West Center Foundation, a non-profit corporation. The Foundation's function is to obtain private sector support for the Center and to increase cost sharing of programs by participating institutions and governments.

The 1991 request for Congressional support is $20,000,000 which is $430,000 less than the amount appropriated in 1990. The Center will provide mandatory costs for 1991 consisting of $148,000 for within-grade salary increases; $256,000 for across-the-board salary increases of three percent; and $396,000 for increased cost of participants and other costs. Mandatory costs will be met by reducing the number of conferences and workshops, deferring new programmatic directions, reducing temporary, casual and student hires by deferring the hire of replacements, reducing supplies and other expenses, and increasing cost sharing and contributions to the Center.

In addition to the amount provided by Congress, the Center also expects to generate an additional $7,701,000 from other sources of revenue, an increase of $654,000 over the amount estimated for 1990. These additional revenues will be used to partially meet mandatory costs, and for increased costs of contracts and grants and other requirements.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

Summary of Program Categories and Resources

Program Categories and Resources	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
A. Education, Research and Training Program				
Federal Appropriation	$15,365,000	$16,081,000	$15,728,000	$-353,000
Other Revenue*	6,142,000	6,496,000	7,107,000	611,000
Total Education, Research and Training	21,507,000	22,577,000	22,835,000	258,000
B. Program Direction, Administration and Support				
Federal Appropriation	4,635,000	4,349,000	4,272,000	-77,000
Other Revenue*	527,000	551,000	594,000	43,000
Total Program Direction, Administration and Support	5,162,000	4,900,000	4,866,000	-34,000
C. Total Program and Resources				
Federal Appropriation	20,000,000	20,430,000	20,000,000	-430,000
Other Revenue*	6,669,000	7,047,000	7,701,000	654,000
Grand Total	26,669,000	27,477,000	27,701,000	224,000

*"Other Revenue" is recapitulated in detail on page 29 of this section.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

A. Education, Research and Training Programs (1989 Actual, $21,507,000; 1990 Estimate, $22,577,000; 1991 Estimate, $22,835,000; Increase, $258,000)

Summary of Requirements

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	190.81	$15,365,000	196.56	$16,081,000	196.56	$15,728,000	--	$-353,000
Other Operating Revenues ..	8.11	3,591,000	8.11	3,775,000	8.11	4,045,000	--	270,000
Current Restricted Revenues	15.75	2,551,000	16.50	2,721,000	16.50	3,062,000	--	341,000
Total	214.67	21,507,000	221.17	22,577,000	221.17	22,835,000	--	258,000

1. Environment and Policy Institute

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	31.84	$2,463,000	34.09	$2,388,000	34.09	$2,374,000	--	$-14,000
Other Operating Revenues ..	0.66	619,000	0.66	653,000	0.66	704,000	--	51,000
Current Restricted Revenues	--	177,000	--	218,000	--	250,000	--	32,000
Total	32.50	3,259,000	34.75	3,259,000	34.75	3,328,000	--	69,000

The countries of the Asian/Pacific Realm are experiencing both rapid population growth and, in many cases, substantial economic growth. Both trends place increasing pressures on the natural resource endowments of individual countries and have significant potential negative effects on the quality of environments. In some cases, these pressures have become acute; others are likely to be so soon; and in a few they may even reach crisis proportions. It is a primary mission of the Environment and Policy Institute (EAPI) to monitor changes in the quality, quantity, and utilization of national resource endowments and of the environments in which people live, and to assess the risks and hazards inherent in rapid change.

To a degree, then, the EAPI acts as an environmental assessment agency, seeking greater understanding of the changing character of resource endowments and the broader environments of which they are a part; of their potentials for sustained utilization; of threats to them through unwise utilization practices leading to consequent environmental degradation; of methods for mitigating the effects of past unwise practices; and of helping develop better balanced and more appropriate resources management practices that will encourage sustainability and long-term returns on capital without jeopardizing environmental quality.

The EAPI continues to place a high premium both on dissemination of research findings and on acquiring feedback from colleagues and resource users and managers in the countries of the realm. These objectives are gained in part through an extensive publication program, both in-house and "out-house," and through conferences and workshops both in Honolulu and abroad which bring together key figures involved with particular problems and their solutions. Productive relationships with major global research institutions such as the UN University, the Pacific Science Association, and the International Federation of Institutes of Advanced Studies (IFIAS) have been cultivated, and the EAPI has been elected to IFIAS which is spearheading a global investigation of the human consequences of global environmental change.

The EAPI also seeks cost sharing from agencies both US and foreign, and even more, the support of funding institutions such as Agency for International Development, Asian Development Bank, Rockefeller Brothers Fund, Ford Foundation, the MacArthur Foundation, and the World Bank, which share some of EAPI's interests. The long-term and transcendental objective, of course, is the enhancement of human welfare through the more effective utilization on a sustainable basis of nature's gifts to the vast and growing populations of the realm.

Land, Air, and Water Management - Management of land, air, and water resources is aimed at improving productivity and efficiency, at the sustainable use of the resources, and at maintaining environmental integrity. Problems under study involve (1) national parks and other protected areas, their function as a principal source of biological diversity, and how they can be maintained against competing land uses while permitting human activity; (2) interactions among land-use systems, especially forests and farms, and ways of helping farmers and foresters better manage upland and mountain environments, including improving institutional arrangements; (3) planning and implementation of integrated water resources management programs in a matrix of increasing competition; (4) applications of geographic information systems (GIS) to problems of land and water management, with an emphasis on flood situations; and (5) atmospheric and climate changes due to growing concentrations of gaseous pollutants from both industrial and industrializing societies, leading, inter alia, to rising sea levels.

Ocean Governance - This program adopts a comprehensive view of ocean space and resources that offer opportunities for development. It also concerns present problems of environmental quality maintenance. Its perspective is set within the constraints imposed by the evolving Law of the Sea which, given the extended maritime jurisdictions of coastal states, bears heavily on regional international relations. Current work on regional seas focuses on East Asian Seas following earlier work on Southeast Asian Seas, with prospective expansion into South Asian Seas and the Southwest Pacific over a 10-12 year cycle. The problem of rising sea levels as a consequence of climatic change is a topic of special interest.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

Habitat and Society - Most people in the Asia and Pacific region today live in habitats created and maintained by human action. These settings offer new opportunities to their inhabitants at the same time as they confront them with new risks. Social and cultural patterns that have evolved over centuries to cope with traditional environmental forces are often maladapted to these new conditions. More effective patterns of adaptation may be evolving, but understanding such patterns is constrained by the lack of appropriate conceptual categories and analytic frameworks. EAPI's Habitat and Society Program has as its principal objectives (a) the exploration and development of major theoretical approaches and methodologies to explain cultural responses to the environmental changes that accompany socio-economic development and (b) the application of those theories and methods to the realities of contemporary Asia and the Pacific. The current research foci of this program are critical Asian habitats, especially the extended metropolis in Asia and the "Northern Arc" of Southeast Asia--that vast area stretching from Yunnan across Vietnam, Laos, Thailand, Burma, and into Assam and the Northeast Frontier Territory of India.

Risk, Resources, and Development - The role of the EAPI as an assessor of the opportunities, constraints, and risks in utilizing resources for economic development depends on effective methods of analysis. Scientific, technical, and economic information is gathered, interpreted, and transferred to policy and decision-makers so that risks to human health and welfare are mitigated. This program cuts across the subject-matters of other EAPI activities with research that develops, tests, and demonstrates methods for identifying hazards, assessing risks in quantitative biophysical terms, valuing alternative management actions in economic terms, dealing explicitly with uncertainties, and communicating the results to affected parties and to management agencies. Specific topics include agricultural and forestry resources, forest hydrology, water quality, agroecosystems, air pollution, risks of hazardous chemicals, and the consequences of global environmental change.

2. Population Institute

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	37.93	$2,912,000	38.93	$2,866,000	38.93	$2,815,000	--	$-51,000
Other Operating Revenues ..	0.67	361,000	0.67	381,000	0.67	411,000	--	30,000
Current Restricted Revenues	9.75	908,000	10.50	918,000	10.50	960,000	--	42,000
Total	48.35	4,181,000	50.10	4,165,000	50.10	4,186,000	--	21,000

The Population Institute (PI) exemplifies the growth and evolution of a major program at the Center. In the 20 years since it was established, the institute has expanded its work from an early concentration on basic demographic data collection, analysis, and estimation to an examination of the causes and consequences of population change and now to the emerging emphasis on broader and deeper relationships involving population dynamics, economic development, urbanization, and cultural change.

Although the emphasis has shifted, the work on demographic techniques and data collection continues to improve in quality, contributing to the institute's reputation throughout the region and the world. Thus, an important part of the institute's mission remains the development and application of demographic techniques, embodied in the institute's program on Demographic Change and Population Policy and also in a substantial portion of its work on China.

Similarly, much effort at the institute continues to be devoted to research on the immediate causes and effects of demographic change. For example, the reasons why fertility remains high in the poorest countries of the East-West Center region are being explored with increasing sophistication and powerful analytic techniques. Similar explorations of the determinants and patterns of migration, marriage, and morality are continuing and producing important results of use to policymakers throughout the region. An especially critical issue is the extent to which the roles of governments and families, the loci of much demographic change, are changing in Asian and Pacific societies. Work on such topics is carried on in the institute's programs on Migration, Inequality, and Social Change and on Family, Institutions, and Society.

With demographic facts (and their measurement and collection) at the core of institute concerns, and the immediate causes and consequences of demographic change arranged around those facts, the broadening interests of the institute can be thought of as a widening circle of societal concerns. For example, development, broadly defined, is related to every aspect of population. With development come changes in fertility and mortality; conversely, changes in fertility are often thought to be crucial enabling elements in the development process. Changes in the demographic characteristics of the population strongly influence the economic structure and the path of economic growth and institutional development. Further, regional development, whether within countries or among neighboring countries, is affected by, and affects, the distribution and demographic behavior of the populations. Important work in these areas is carried on in the institute's programs on Economic Development and Human Resources and on Regional Development and Economic Policy.

The institute could not function as it does without the large network of researchers and officials from the region's academic and governmental institutions and agencies, which has developed over the years. Establishing this network was an early goal of the institute, and maintaining and improving it is an ongoing priority. Without it, the sharing of important data, research results, and conceptual advances would be impossible, and the region would lose the benefits that accrue from the coordination of efforts fostered through the network.

Of great importance is the manner in which the institute communicates to policymakers and leaders in the private sector, as well as to academics, the results of its research and analysis. A combination of meetings and publications facilitates this dissemination. For example, census directors from the countries of the region, as well as representatives of the private sector, periodically meet under institute auspices to exchange knowledge gained and to learn of new techniques and approaches for collecting, processing, and analyzing census data. Asian and Pacific policymakers are reached through institute relationships with key government agencies, reinforced by the periodic Parliamentarians Seminar, cosponsored by the institute. The institute communicates its research results to the academic community through many channels, including institute monographs, journal articles, and books. In addition, institute research is made more easily available to nonacademic, nonspecialist audiences through a major quarterly newsletter and a successful series of policy briefs.

Finally, institute researchers collaborate with the University of Hawaii through collaborative research, through joint appointments, and by teaching numerous courses in the Population Studies Program and related departments. Institute researchers work closely with graduate students, who later return to their home countries, thus expanding the demographic capabilities of these countries and prov~~iding a~~ valuable link in our network.

Demographic Change and Population Policy - The world's population is projected to increase from 5.1 billion in 1988 to 6.2 billion in the year 2000. About 60 percent of this growth is expected to occur in the Asia/Pacific region. The projected increase will severely strain already limited resources for housing, subsistence, and employment in the region. Government policymakers in the region need accurate, current, and detailed information on demographic levels and trends to guide decision-making about ways of responding to rapid population growth. The activities in this program area are intended to provide such information. The Population Institute has extensive experience in conducting population training and research that assess the need for government action, the design and performance of policies and programs, and their demographic impact.

The program area is divided into two projects. In the first, Demographic Estimation and Trend Analysis, the institute has devoted considerable attention in recent years to the demographic situation and government population policies in India, Pakistan, Sri Lanka, Nepal, and Indonesia. This work has involved both research and training components. In addition, a Census Conference every one or two years brings together directors of census bureaus and national statistical offices from the Asia/Pacific region and the United States to exchange information about demographic research and training needs in the region and new developments in census operations and data analysis. In addition to continuing its work in the above areas, the institute is planning major new activities with India's Ministry of Health and Family Welfare, involving training and research in cooperation with the staffs of the country's Population Research Centers. Also planned are analyses of the determinants of infant and child mortality in the region, including an assessment of government policies.

In the second project, Family Planning Program Research and Evaluation, the institute is developing a new activity focusing on the evaluation of family planning programs and their effects. The work will be initially concentrated in Bangladesh and the Philippines, but will likely include other countries, especially Indonesia, Pakistan, Thailand, Sri Lanka, and several countries of the Pacific Islands.

This project will substantially increase technical assistance for family planning program evaluation in response to requests from family planning program managers and donors. Another area of special concern will be the publication and dissemination of research-based information, presented in a nontechnical style and focusing attention on the practical implications of research and evaluation findings for policy and program management. An important venue for such information dissemination is the institute's Asia/Pacific Population and Policy publication series.

Economic Development and Human Resources - Scholars have long recognized the dependence of economic growth and structural change on underlying changes in a country's population. Interest at the institute has turned increasingly toward working with planning agencies to improve their capacity to undertake long-term planning by more fully incorporating demographic trends, especially in the areas of human resources and other demographically sensitive economic sectors. A major activity in this effort has been the development of a projection model and associated computer package, called HOMES, that projects the number and demographic characteristics of households and forecasts changes in the sectors of health, education, housing, labor supply and wages, consumer expenditures, and domestic resource mobilization. HOMES has recently been applied in Thailand and South Korea. Two major activities are planned in this area for FY 1991. The first activity is a technical assistance project, proposed to the Asian Development Bank by the Government of Indonesia. The second activity planned is a study of Japanese households.

Scholars and policymakers have also recognized that human resources, such as a healthy, well-educated labor force, play an important role in promoting economic development. Institute activities in this area will focus on three topics: labor issues, health care, and the effects of family size on intelligence. The work on labor issues analyzes labor market trends in the region, isolates problems, and makes recommendations concerning human resource and labor market policies. The trends examined include the dramatic increase in female labor force participation in East and Southeast Asia, inequality of earnings among different groups, and shifts in occupational patterns. Institute work in the area of health care will focus on estimating the levels, trends, and determinants of infant and childhood mortality. The objective of this work is to make recommendations to health program administrators and planners on actions for reducing mortality. The third component of the human resource work is the study of the relationship between fertility, intelligence, and education in Singapore and the United States.

Family, Institutions, and Society - With increasing economic development and social change in Asia and the Pacific, the respective roles of the family and government are changing in a variety of ways. A demographic framework for examining ramifications of these changes emphasizes the two age groups most seriously affected by change, youth and the aged, as well as the family and household contexts in which most of the youth and the aged live. Both these age groups are of concern to Asian governments. That they raise issues to which governments and international agencies are prepared to commit resources is apparent from the many national surveys of youth and of the aged that have been conducted in the last few years. But programs and policies have thus far been too narrowly conceived, tending to target these age categories in isolation. It is apparent that the elements of economic, social, and cultural change involved are highly interdependent. In particular, more knowledge is needed about intergenerational relations both within the family and across society at large. Accordingly, this program area emphasizes the family and intergenerational contexts for policies affecting both population groups. Our research program for FY 1991 mobilizes a mix of disciplinary concerns and sectoral interests to deal with the issues more adequately. The three projects within this program area deal with important policy dimensions of family and household organization; problems of economic development associated with youth, particularly adolescent sexuality; and policy issues raised by the rapid growth of the aged population.

Migration, Inequality, and Social Change - The number of people on the move is increasing throughout the world, facilitated by better transportation and communications and given impetus by such factors as population pressure on resources, the gap between rich and poor, ethnic and political conflict, and rising aspirations related to education and modernization. Migration is an increasingly important dimension of national development and a significant factor in international relations.

Immigrants, refugees, guest workers, transnational corporation managers, and students represent different kinds of international migrants. Some movements of people are closely connected to international trade and finance; another important dimension of international migration is the transfer of knowledge, skills, and ideas. More international migrants come from Asia than from any other area of the world.

Migration within countries is most visible in the growth of cities, but movements to smaller towns or between rural areas are also common. Increasingly, families in the Third World seek to maximize their welfare by sending some members elsewhere to earn income for the household. Circular movements between rural and urban areas reflect such a strategy for coping with rapid change. Nowhere is change more apparent than in the Asia/Pacific region.

The processes of social change have both positive and negative consequences, and they usually do not affect all segments of society equally. The disparities that result, as well as inequalities stemming from historical, cultural, and political conditions, are significant factors in migration.

The institute carries out its work on migration in two projects: International Population Movements, and Mobility Dynamics and Development. The centerpiece of current international migration work is a long-term study of the two largest groups of Asian immigrants to the United States, Filipinos and Koreans. Current work on mobility dynamics focuses on the Pacific Islands, analyzing the effects of mobility on rural communities over the past 25 years, and on China, where current mobility patterns are being examined. These and other activities are designed to assess the costs and benefits of migration to societies, families, and individuals and to provide input to public policy for both accommodating to and influencing migration trends.

Regional Development and Economic Policy - Government leaders of Asian countries have become increasingly aware of the importance of regional and spatial considerations, at both the subnational and international levels, in understanding and managing the development process. For example, the recent surge of interest and activities in the Yellow Sea region, reflecting the changing geopolitical relations and the economic interests of the nations concerned, directly involves both subnational and international spatial analysis. Similarly, the redistribution of populations between rural and urban areas is an important fact of life, and the many problems resulting from it are a major policy challenge in many Asian countries.

Three major areas of research derive from these considerations: the questions and concerns arising from regional and coastal development in the Yellow Sea region; urbanization issues and policies, covering the locational concerns of population distribution, including industrial deconcentration and growth poles, and issues of urban management such as infrastructure and services, the provision of housing, and the role of the informal sector; and the comparative analysis of national development policies and their regional implications, emphasizing the cultural and institutional framework and the role of such long-run factors as technological change in the development process. Research planned for this program will focus on these areas.

Special Projects - The special projects of the Population Institute synthesize and apply knowledge gained from all other institute program areas to inform policymakers about population processes and the key relationships among population, resources, and development. They also provide an opportunity for mid-level researchers and program managers to share and expand their knowledge of population and development issues.

Two special projects are planned for FY 1991: the annual Summer Seminar in Population and the seventh Parliamentarians Seminar. In addition, as part of the program of providing population information to nonspecialists, the institute will continue to develop general briefing materials on population components and change and on the interrelationships between population phenomena and other aspects of society. Some of these will be contained in the successful AID-funded series of nontechnical summaries called Population and Policy, which is aimed at policymakers who are not population specialists.

The institute's Summer Seminar in Population is known throughout the region for the opportunities it provides to mid-level researchers and managers for advanced training in specific areas of population and its relationship to social and economic development. The seminar includes four weeks of intensive workshops entailing hands-on research, general lectures, and workshop discussions. The fifth and final week of the seminar is held in Asia to give participants an opportunity to observe the research, programs, and policies of a specific Asian country. The field trip portion of the seminar has proved to be an essential component, offering the participants a detailed view of one Asian context for the knowledge gained in the workshops.

Parliamentarians adopt or establish national policies that are influenced by the need to accommodate changes in population size, composition, and distribution, while promoting social and development goals within unique value systems. The Parliamentarians Seminar provides government policymakers with up-to-date knowledge of the facts of population change and of the interrelationships among population, resources, and development. It also provides a forum for discussion of how existing policies and programs have affected population and development and for exploring alternative policies that might better achieve certain goals. As funds become available, the institute hopes to include in the seminar parliamentarians from additional countries of the Asia/Pacific region. It will also broaden the scope of the seminar to include economic and cultural issues and to involve other institutes at the Center.

3. Resource Systems Institute

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	40.79	$3,295,000	44.79	$3,850,000	44.79	$3,709,000	--	$-141,000
Other Operating Revenues ..	0.53	592,000	0.53	624,000	0.53	673,000	--	49,000
Current Restricted Revenues	1.00	683,000	1.00	690,000	1.00	787,000	--	97,000
Total	42.32	4,570,000	46.32	5,164,000	46.32	5,169,000	--	5,000

The fast growing economies of East Asia and Japan's presence as an economic and financial world leader are strong evidence of the importance of this region to the United States, and to the rest of the world. The economic dynamism and success of many East and Southeast Asian nations have set the stage for what has been termed the "Pacific century." The policies and political and economic management that has brought success to these countries has attracted a great deal of attention and debate. Other Asian nations and developing countries throughout the world have been encouraged by the "Asian economic miracle" and are now themselves seeking the benefits of market-oriented, outward looking economic policies and hoping to successfully enter the highly competitive and fast changing international marketplace. The research of the Resource Systems Institute (RSI) focuses on this economic dynamism and the resource necessary to promote and sustain economic growth, as well as on the national and international political issues that impact so importantly on the implementation of economic policy.

Areas of specific interest to the institute include, among others, trade, investment, aid, private sector development, political economy, US International business, and regional economic and political organization and cooperation. Emphasis is also placed on the changes in global market for energy and mineral resources and the implication of that market for the economics of Asia, the Pacific Islands, and the US.

RSI research is divided into four principal program groups. The Development Policy Program and the International Relations Program address international economic and political policy questions. The Energy Program and the Minerals Program focus on these two strategic resource sectors critical to the development of the Asia/Pacific region.

Work of the Development Policy Program has focused on comparative assessments of region-wide differences in development strategies. Studies in FY 1991, will turn their attentions to specific policy issues that these assessments highlighted. These issues include the economic policies and the political-social context of South Asia development, US/ASEAN economic and business relations, China's reforms and industrial policy, the role of US and Japan in Asia's development, and the importance of correct financial policies for economic growth. In each of these areas the Development Policy Program will examine the interaction of economic strategies and political realities, and well identify policy implications that Asian growth and economic competitiveness will have for the United States and the challenges this will create for US government and businesses.

The International Relations Program analyzes key international relationships that may cause stress in US relations with Asia/Pacific countries. This will be accomplished with continuing studies on the Soviet role in the region, relations of the US with Australia and New Zealand, and with forecasts of political and diplomatic issues that will arise as a consequence of changing patterns of comparative advantage and trade.

The Energy Program is a leading center for energy information and policy studies for the Asia/Pacific region. The program examines changes in energy markets and energy policies in an effort to better understand the factors critical to maintaining a stable energy supply in the region. Because of the excellent reputation of its research and energy computer modeling, the program has been particularly successful in linking government, business, and academia in research and policy formulation. Its forecasts in petroleum supply, demand, and pricing and its work in large scale energy systems has proved invaluable in setting national energy policy for many Asian governments. A new area of work for the program is in US business opportunities in the changing refining sector in the Asian region. The Minerals Program offers resource assessment and mineral economic data for integration into the development decisions of Asian and Pacific nations. The program undertakes studies regarding regional and country specific trends relating to the production, processing, trade, and investment requirements of Asia/Pacific minerals industries. By bringing together economic and geological expertise, the program is able to assess mineral potential and develop mineral policies most conducive to cost effective development and application.

RSI's research and activities cover all the major sub-regions in the Asia/Pacific area and provide studies and policy recommendations, often at the request of government agencies, for the development of the region and for maintaining mutually beneficial economic and political relationships. To cite a few examples, RSI was asked by the US Department of State to head the US Research team of a major ASEAN/US Initiative and to coordinate as well as conduct the needed research. Inputs from this study will help formulate future policy for ASEAN/US economic relations. The US Trade and Development Program has requested studies on US business opportunities in the energy and minerals sectors. The Thai and Indonesian governments have requested training for their energy specialists in energy forecasting and modeling, the Chinese have asked for training in minerals assessments and minerals trade and marketing analyses. The Pacific Island energy ministers attend meetings at RSI where they discuss in an open and candid fashion energy problems with major US oil company representatives. The Asian Development Bank commissioned RSI to undertake a regional study on the minerals sector to identify regional supply and demand for critical minerals. Government officials from India and Pakistan have shown a keen interest in the institute's work on the economic, political, and social policy in South Asia and are anxious to send representatives to a major conference to be held at the Center.

These are but a few examples of the types of projects RSI undertakes to provide timely and relevant input to the many issues and problems facing the region. The US, of course, is often an important player in any international economic and political relationship and this interdependence is recognized as a key issue not to be overlooked by research of the institute. The interdependence of the public and private sectors in the promotion and implementation of economic programs is also a major factor in the formulation of RSI programs. We believe this recognition will continue to ensure the relevance of our policy work and strengthen our collaborative relationships with government and international agencies concerned with development of the region.

Development Policy Program - The Development Policy Program focuses on (1) the international dimensions of the rapid economic changes occurring in Asia; (2) the comparative assessment of development strategies adopted in various economies in East, Southeast, and South Asia; and (3) economic analyses of international trade and investment issues and implications for the domestic economies of the Asian region. By necessity the US/Japan economic relationship and their respective roles in trade and financing development have become a prime focus of research. Key areas of program research in FY 1991 will have both a strong international and domestic component. One project will assess the various possible forms of economic integration and cooperation that might take place in the Asia/Pacific region. Free trade areas, liberalizing trade in goods, investment, intellectual property protection and fiscal policy coordination will be topics under examination. Another area of research will be industrial development in Asia's newly industrializing and less developed countries. The patterns and speed of industrial development have significant consequence for a country's ability to raise living standards, provide employment, and education, and sustain economic growth in the face of stiff international competition. Industrial policies of Japan, Thailand, South Korea, Taiwan, the Philippines, and possibly Vietnam will be reviewed to estimate the effects of policy choices like import-substitution vs export promotion, but also the political choice and problems encountered in reforming economies with a substantial planning component, ie. China. The objective of a project on financial systems will examine the pattern of resource allocation and its consequences on economic development under varying conditions of financial market repression. Studies will analyze government intervention in credit allocation (Korea, Taiwan, Philippines, and Thailand) and examine how the structure of government-finance-business relations affect the efficiency of resource allocation. Research will also look at the importance of market imperfections and perceptions of market failure on financial policy. The effect of reforms like capital market deregulation, liberalization of interest rates, privitization of state owned bank encouragement of new financial intermediaries and the internationalization of financial markets will be studied against the institutional and political setting of a given country.

International Relations Program - The program hopes to contribute to a better appreciation of longer-term processes and forces that influence inter-governmental relations and domestic politics. The program seeks to identify and analyze critical international relations issues and to provide a forum for discussion of these issues by US, Asian, and Pacific government officials and academics.

The program will examine the Soviet Union in Asia dealing with questions of Soviet interest in the region. Asian perceptions of Soviet interest and presence in the region as compared to American preceptions, and the strengths and weaknesses of the Soviets in attaining their objectives and how to deal with these. Second, the program will be looking at economic policies and economic relationships among the US, Australia, and New Zealand. This follows a study of an analyses of US, Australian, New Zealand political and cultural relations. A third project will test the hypothesis that the nature of US/Japan trade conflict will change and that trade probationist pressures of both countries will be directed more to developing Asian countries. Another study the program hopes to initiate is on US/Korean relations, a relationship being affected by the growth of nationalism and political changes in South Korea and by a tougher trade posture and demands for greater security burden-sharing on the part of the US. Of continuing interest to the international relations program is the analyses of how cultural and economic variables have influenced economic growth and study of the interaction of cultural, economic and political factors in Asian modernization.

Energy Program - The Energy Program develops energy models and software which are widely used in national policy planning to evaluate investment and trade in the oil, gas, electricity and coal sectors. Refining and electricity models, training and background material have been adopted and disseminated as standard analytical tools and reference sources by Asian and Pacific governments. The program's project on Asian Energy Security and OPEC is concerned with oil and gas issues on a global basis with specific focus on refining, petrochemicals, tanker transportation, marketing, and pricing. The project is providing sophisticated methods of engineering economics to regional countries and this allows these countries to evaluate their current and future petroleum policies in light of investment and planning goals. Current studies involve specific business opportunities in the refining sector to enable US industry to participate more effectively in the future of the Asian refining sector, national petroleum and gas studies on eight Asian countries, and a review of technical, economic and environmental aspects of smaller scale energy systems, eg. ocean thermal energy. In addition to this work, the objectives of the project are to analyze the world wide oil and gas sector and to monitor and advise the US government on the energy security issues of petroleum product dependence and the related protectionist implications. A Coal and Electricity project aids developed as well as developing countries that are concerned with the export or import of thermal coal in making rational decisions as to whether or not to continue with implementing plans to construct mines, port facilities, and coal-fueled plants. Any such project can represent a sizable component of a country's development funds, since individual projects run into the millions of dollars. The Coal and Electricity project is a well regarded source of information relating to the production, transportation, consumption, and international trade of coal in the Asia/Pacific region.

Minerals Policy Program - The objectives of the Minerals Policy Program are (1) to assist national policymakers in selecting, developing, and implementing mineral development policies and strategies; (2) to define and analyze national and regional structural changes in the Asia/Pacific minerals industry; and (3) to provide an information base to facilitate achieving national and private strategies and goals for minerals development in the Asia and Pacific region. The program will move toward meeting these objectives in FY 1991 through its projects on Resource Assessment and Economic Development; Asia/Pacific Minerals Trade and Investment; and Fertilizer Mineral Systems. The Resource Assessment project integrates assessment data into national economic plans of Asian nations and evaluates the macroeconomic implications of the minerals sector to overall development strategies. Work will be undertaken on the future mineral development of China, the Soviet Union, and an analyses of the role of China, India, and the USSR in the regional minerals trade. Related work in the minerals trade and investment project will provide a database, country specific minerals profiles, and establish inter-institutional data exchange with government agencies and research centers throughout the region. Fertilizer minerals (phosphate, patash, nitrate) are very important to the region in maintaining a stable food supply. The region's growth in fertilizer use has been among the highest in the world and considerable potential exists for increase in the ASEAN region, South Asia and China. Currently the region consumes approximately one-third of the global 150 million metric tons of fertilizers valued at 25 billion. The project will look at the limit of growth of fertilizer demand, government incentive to increase or decrease fertilizer use, potential for inter-regional fertilizer trade and the means to physically handle this trade.

Participatory Development Project - Successful efforts by poor populations East and West in organizing to overcome poverty are the central emphasis of the Participatory Development Project. The project provides the opportunity for people working directly in poverty areas to come together to analyze values and methods by which poor people in various countries and cultural settings have organized to overcome poverty and to review and recommend appropriate roles to fight poverty of voluntary organizations, government agencies, development institutions, and the private sector. In FY 1991, the project will continue to examine and clarify dimensions of poverty, building on an 1989 workshop. The role of participatory analyses will be elaborated, providing sign posts and benchmarks to groups engaged in designing, funding, and implementing research on poverty. Workshops will be held to enable experienced development practitioners to explore and analyze the roots of their successes. Conceptual statements on how participatory development can fight poverty will be oriented to policy, legislative, funding, and technical agencies to stimulate their awareness of the potential of the participatory approach to community and government action.

Marine Resources and Development Planning Project - The goal of the project is to enhance the maritime perspective among policymakers by providing longer term view of the contribution of marine resources to economic growth, development, and cooperation in the Asia/Pacific region. With the extension of jurisdiction out to 200 nautical miles from shore, many nations are striving to develop and implement policies to optimize the ocean resources. Questions answered by project research are what are the kinds and value of resources gained by extended jurisdiction; what will it cost to exploit these resources; and how can their exploitation best serve national development objectives. Research in FY 1991 will include case studies of national marine resource farms, and analytical and cartographic delineation of actual and potential use and user conflict for East Asian Seas. Beneficiaries of the research will be national committees of Law of the Sea, government agencies with maritime responsibilities, natural oil and mineral companies and marine specialists.

4. Institute of Culture and Communication

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	42.50	$3,363,000	40.80	$3,570,000	40.80	$3,486,000	--	$-84,000
Other Operating Revenues ..	0.50	1,175,000	0.50	1,239,000	0.50	1,336,000	--	97,000
Current Restricted Revenues	--	341,000	--	350,000	--	355,000	--	5,000
Total	43.00	4,879,000	41.30	5,159,000	41.30	5,177,000	--	18,000

The dilemma facing Asian/Pacific leaders as we prepare for the 21st Century is how to maintain stability by preserving or reshaping traditional cultural values while also shaking up their societies with economic development and a push toward modernization. Perhaps the biggest challenge facing US policymakers is to deal knowledgeably with cultural diversities and sensitivities as America's role in the area inevitably changes from one of big power pre-eminence toward more nearly equal partnership in economic competition. The Institute of Culture and Communication (ICC) addresses these practical problems through policy-oriented research and educational programs.

ICC research is directed primarily on the study of how and why varying cultures and social values are being impacted by modernization, rapid economic development and competition for markets; and on investigating how hi-tech communication processes affect cultural and economic change which can stimulate domestic tensions and/or international frictions.

To enhance cultural understanding and the appreciation of cultural diversity, the institute also studies and presents the ways in which varying societies depict themselves creatively -- whether artistically or philosophically.

Research is designed to provide fresh information and insights for policymakers and others who need a better understanding of the diverse cultural factors which may determine the ultimate success or failures of measures aimed at improving the quality of life in their societies. Spanning the disciplines of the social sciences and the humanities, the approach of the institute to these problems is concerned both with focused problem-solving and issues of cultural interpretation and expression.

Both the substance and the process of the institute's research contributes to the Center's long-range goal of improving cross-cultural understanding. Most research is accomplished through comparative projects that engage scholars, professionals and policymakers from Asia, the Pacific area and the United States in cross-cultural dialogue examining problems of cultural change and the impact of modern communication upon societies.

Details of the institute's work are provided in the following pages with descriptions of the three central programs: Modernization, Communication and Change; Cultural Construction and National Identity; and Creative Expression of Culture.

Modernization, Communication and Change - Problems associated with the effect of rapid modernization and the high technology communication "explosion" on cultures are being studied in four main projects of the Modernization, Communication and Change program. The Cultural Change project represents a major empirical research focus of this program. It is generating new knowledge about key issues of cultural change -- the direction of change, the contributing factors, and the societal consequences -- as societies undergo the process of modernization and communication revolution. The project seeks to discover whether cultural change in the first three countries surveyed -- China, Indonesia and Thailand -- is conducive to economic development and broader social participation. The project will launch parallel studies of cultural change in the US, Korea, Japan and Taiwan.

The mass media are important agents -- for better or worse -- in cultural change and economic restructuring in both developing and industrialized countries of the Asia/Pacific region. The East-West News Analysis project examines the contribution of the media to change in the diverse nations of the region. The professional education activities of this project sensitize print and broadcast journalists to cultural factors, make them aware of the complexities of regional news developments, and provide information necessary to produce authoritative articles and programs which achieve improved understanding of critical issues by policymakers and the public.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

In the continual process of development, national governments in the Asia/Pacific region need information on what effects they can expect from the impact of modernization in order to make informed decisions on the competing needs to develop and preserve indigenous cultures. The project on Impact of Communication Technologies studies the social and economic impact of Videotex and the socio-economic impact of telecommunication alternatives.

Today's increasing contact and communication among people of different cultures affords the opportunity for both increased understanding and misunderstanding among people of East and West. The chances for cross-cultural understanding are greatly increased by the effective preparation of those who travel, work or live across cultures. The Cross-Cultural Studies and Education project prepares people to interact in cultures other than their own with harmony and mutual understanding.

Cultural Construction and National Identity - The program area entitled Cultural Construction and National Identity examines cultural issues emerging in the Asia/Pacific/US region in the 1990s. Its component projects will examine the politics of culture as a way of providing a fresh framework for understanding international cultural relations in the region. The program's core project, Cultural Policy and National Identity, aims to better understand the interrelation of cultural policy, national identity, and development. Interdisciplinary and multinational teams will use new approaches to examine the proposition that conceptions of cultural tradition and issues of national identity are fundamental parameters of social change and international relations.

In examining the problem of identity construction in a plural society, the joint East-West Center-Harvard project on Chinese Cultural Identity: Construction and Conflict seeks to understand why China's millions hold together culturally despite the country's vast size and linguistic variation.

A research and training project, Nationalism and Internationalization, aims to determine how nationalism affects internationalization. The training component is designed initially for International Liaison Officers from Japan and the US and will be expanded to participants from five countries.

The aim of the Pacific Islands Identity, Tradition and Development project is to conduct a regional assessment of conceptions of traditional culture and to analyze their significance in light of contemporary views of modernization and development in selected Pacific Island societies.

Creative Expression of Culture - In its mission to promote understanding *among* the peoples of Asia, the Pacific and the US, the Center promotes the understanding *of* those peoples. The way in which a culture is expressed creatively, whether artistically or philosophically, is a microcosmic representation of that culture. The program on the Creative Expression of Culture seeks to increase intercultural understanding through the presentation of Asian, Pacific and US works and thought in a manner conducive to their appreciation by both scholars and the general public. The program encompasses creative works with their creators, along with all that is necessary for their understanding -- explanatory materials and presentations, scholarly research, and discussions and recording of the creative process.

Individual projects focus on learning about culture through the arts, film, literature and the study of the concept of self. Seven or eight cross-cultural performances and six cross-cultural exhibitions comprise the Arts project. The arts are studied and presented in order to make them more accessible to a multicultural community. Dissemination is achieved through the circulation of works, such as a touring exhibition or an edited series of audio tapes for broadcasting of cross-cultural performances, and through researched information materials.

The multi-faceted Cultural Understanding Through Film project conducts original research on the cultural impact of cinema in the region, conducts an annual intercultural and interdisciplinary film symposium, publishes an East-West Film Journal twice yearly, and culminates in an international film festival which presents important films and filmmakers from the region and is attended by more than 50,000 people each year. The National Film Tour extends the cross-cultural benefits of the film project to locations on the US mainland through presentations of films, film scholars and institute staff. The Literature project studies Polynesian literature, important in the transmission of culture from generation to generation and in the development of personal and cultural identity.

Cultural thought is the focus of a study of contemporary views of the concept of self within the initial countries of China, Japan and India. This research will help in the understanding of the ways in which cultures evolve and how people from them intereact with other cultures.

5. Pacific Islands Development Program

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	7.75	$ 676,000	7.75	$ 582,000	7.75	$ 592,000	--	$ 10,000
Other Operating Revenues ..	0.25	75,000	0.25	79,000	0.25	85,000	--	6,000
Current Restricted Revenues	5.00	365,000	5.00	465,000	5.00	565,000	--	100,000
Total	13.00	1,116,000	13.00	1,126,000	13.00	1,242,000	--	116,000

The purpose of the Pacific Islands Development Program (PIDP) is to help meet the special development needs of the Pacific Islands region through cooperative research, education and training. This Pacific Islands region covers an area of more than 18 million square miles, and is made up of 20 member countries, ranging from the Northern Marianas in the north to New Caledonia in the south, and from French Polynesia in the east to Palau in the west. PIDP also serves as the Secretariat for the Pacific Islands Conference (PIC), a meeting involving leaders from throughout the Pacific region, and for the PIC Standing Committee, which was established to ensure follow-up on development problems discussed at the Conference.

PIDP's research, education and training activities are developed as a direct response to requests from the Standing Committee. Projects are planned in close cooperation with the Committee to ensure that the focus and organization of each project addresses the needs identified by the heads of government on the Committee, a process which is unique within the East-West Center (EWC) and in other research and educational organizations serving the Pacific.

Since PIDP was established in 1981, six research projects have been completed, several training workshops and conferences were held in conjunction with related research projects, and two advisory service projects were undertaken. A non-degree Faculty Development Program was in existence for three years, involving the training of faculty members from tertiary institutions in the Pacific Islands region.

The Pacific Islands Development Program draws together academic resources from throughout the East-West Center, from regional and international organizations, and from Pacific governments to plan and conduct projects requested by the Standing Committee. PIDP also has close institutional ties with the South Pacific Bureau for Economic Cooperation, the South Pacific Commission, the University of the South Pacific, the University of Papua New Guinea, the University of Guam, the Papua New Guinea University of Technology, the University of Hawaii, and other regional and international organizations. In 1988 PIDP was invited to the membership of the South Pacific Organizations Coordinating Committee (SPOCC). This membership signifies the acceptance of PIDP by the Pacific Island countries as a full-fledged regional organization that contributes significantly to the effort of development in the Pacific Islands region.

With PIDP's acceptance in SPOCC significant programmatical and resource changes will take place in the coming years, resulting in more intra-regional agency activities and collaborative efforts with international organizations. PIDP will attempt to place a greater emphasis on policy analysis training and government/policy advisory services, while its project research, training, data collection and administrative support services continue. Ancilliary activities will include conferences, workshops and publications, all done in conjunction with the research projects being completed.

PIDP will have numerous activities in research, training, and advisory services for FY 1991. These activities and programs will include the following:

Role of Private Sector in the Pacific Islands - The project is aimed at encouraging the private sector to play a more active role in the development of Pacific Island economies by:

- improving linkages between foreign investors with locally owned businesses;

- developing more comprehensive investment incentives and policies for effective use of trade options;
- improving policy planning to be more responsive to private sector needs; and
- assessing capital and financial markets in the Pacific Islands region in order to support investment needs.

Multinational Corporations (MNC) in the Pacific Islands Region Program - The program focuses on the potential benefits of operations of multinational corporations in the region, and how governments can develop appropriate strategies and policies to maximize the capture of benefits from the operations. The Tuna Study, the first MNC project, was completed in June of 1987. Two other projects, Tourism and Minerals (Gold), have been completed in FY 1989 and FY 1990. Two other projects in the MNC program, Forestry and Agroprocessing, commenced in FY 1990.

Social Development Issues Program - The program is designed so that the research output will provide a coherent and cohesive set of policy options for Pacific Island policymakers to better define and understand the underlying problems and relationships of three key project areas (Youth, Health and Nutrition, and Urbanization and Migration) and to make recommendations for policy options in resolving the inherent problems associated with development and change in these areas.

Policy Analysis Training Program - This program, formerly the Faculty Development Program which ran from 1984 to 1986, consists of a Professional Development Project and two tiers of an Education and Training Project. It is intended to acquaint middle management professionals and senior civil servants in Pacific Island governments with the objectives of development policy analysis capabilities for developing and managing the resources of diverse economies in the region. While resources are abundant in some economies, many others have scarce resources and are heavily dependent on a few agricultural and service sectors and on overseas development assistance. The need for understanding and developing the appropriate policies to manage the potential development of marine resources is also critical for the island economies. The Professional Development Project, which commenced in FY 1988 as a joint effort with the Center for Pacific Islands Studies (CPIS) at the University of Hawaii, is playing a prominent role in placing participants in specialized studies at the University. Tier 1 of the Education and Training Project, the Policy Analysis Training Workshop, was held in March of 1988 and will continue annually. Tier 2, the Certificate/Degree Program in public administration, commenced in the fall of 1989.

Ongoing Technical Advisory Services Program (OTAP) - The program is intended to provide advisory services in Policy Analysis and Government Systems through the use of research output and findings, workshops and conferences for policymakers, and as part of the Policy Analysis Training Program.

6. Student Affairs and Open Grants

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	25.00	$2,062,000	25.20	$2,227,000	25.20	$2,154,000	--	$-73,000
Other Operating Revenues ..	0.50	179,000	0.50	189,000	0.50	204,000	--	15,000
Current Restricted Revenues	--	77,000	--	80,000	--	145,000	--	65,000
Total	25.50	2,318,000	25.70	2,496,000	25.70	2,503,000	--	7,000

The Office of Student Affairs and Open Grants (SAOG) was established in 1979 to facilitate the integration of participants, especially degree-seeking participants, into the total intellectual and cultural life of the Center. Its establishment reaffirmed the Center's commitment to students and the importance of enhancing the quality of student life and work at the Center.

In addition, SAOG performs the following functions: (1) maintains liaison on educational issues with the President's Office, the institutes/unit directors, EWCPA, and the University of Hawaii; (2) coordinates cost sharing of student grants within the Center; (3) provides leadership in periodic review of participant policies and promotes equitable implementation of participant policies and procedures through centerwide committees and other activities; and (4) receives and briefs visitors to the Center, including USIS personnel and officials from Asian/Pacific governments and institutions interested in the Center's student programs and Open Grants.

The role of the Office of Student Affairs and Open Grants has undergone significant changes since its establishment. SAOG has increased its amount and range of activities, including the Core Seminar, Centerwide Conference Scholarship Program, Indiana University Exchange Program, Washington Campus Program, and greater data analysis resource in the Awards Office. In FY 1987, funds were also provided to revive the Post-Doctoral Fellowship program and to administer centerwide a limited number of Joint Doctoral Research awards. Meanwhile, the office eliminated research activities while focusing more directly on participant services and educational programming. This focus has led SAOG into a more centerwide role in an administrative capacity vis-a-vis participants, concentrating on three types of activities: participant services, educational facilitation, and policy coordination.

Open Grants - The Open Grants student program offers degree scholarships to outstanding students whose interest and experience do not fall within the purview of institute programs. It allows the Center to invite graduate degree students from geographical areas and disciplines not otherwise represented in the Center. Students participate in a variety of activities, each offering learning experiences that complement their academic work and expand their awareness of the critical issues facing the Asia/Pacific region. A few fellows will be recruited to provide interdisciplinary cross-cultural seminars for EWC grantees. In particular, Open Grants will require students to focus on one of five areas of Asia/Pacific region to encourage area studies knowledge and perspective.

Award Services - The Award Services unit of SAOG is responsible for all matters related to the offering of EWC awards, from the dissemination of information to the bringing of participants to the Center. It monitors policies and procedures related to offering of awards and maintains the database for the participant data system. The consolidation of this responsibility in a central office enables the Center to maintain, to the greatest extent possible, consistent application of related policies and procedures and offers an overview of practices and problem areas not possible from the institute viewpoint. Specific areas of responsibility are: monitoring award agreements by which the Center recognizes participants in its programs; conducting the open international competition for the graduate degree student award; and disseminating general information on EWC programs and award opportunities.

Participant Services - The Office of Participant Services is the major section of SAOG that provides direct services to participants. Its mission is to improve student relations by providing a comprehensive program of services for all EWC participants. This program addresses social, recreational, avocational, and cultural aspects that make up the total person. While institutes focus on bringing forth the best academic person in the participant, Participant Services supports those efforts by providing a home for other participant concerns as wide-ranging as organizing special interest groups to visa information, to handling emergency situations. The office also promotes open communication with students and maintains a close working relationship with EWCPA.

Alumni Services - Alumni Services plans, implements, and coordinates a comprehensive alumni program which contributes to the Center's overall mission of improving understanding and relations through the alumni network. Major goals of the unit are:

a. to enhance the contributions of EWC alumni to their home societies and to the Asia/Pacific region;

b. to foster fellowship and interaction among alumni especially in areas of common professional interests;

c. to strengthen programmatic ties between the alumni and the Center; and

d. to facilitate alumni support for Center programs and activities.

Program Representation - The Dean's office administers a network of program representation in some 30 countries in Asia and the Pacific. The program representatives serve as an important link for the Center with these countries. They not only represent the Center within the countries, but serve as its eyes and ears by keeping abreast of government and institutional changes, new developments in relevant fields, which affect Center programs, etc. In addition, they assist the Center is identifying and recruiting candidates for many of the Center's programs.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

7. Auxiliary Services

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	5.00	$ 594,000	5.00	$ 598,000	5.00	$ 598,000	--	--
Other Operating Revenues ..	5.00	590,000	5.00	610,000	5.00	632,000	--	22,000
Current Restricted Revenues	--	--	--	--	--	--	--	--
Total	10.00	1,184,000	10.00	1,208,000	10.00	1,230,000	--	22,000

This category reflects the cost of providing on-campus housing and related services for EWC participants.

B. Program Direction, Administration and Institute Support (1989 Actual, $5,162,000; 1990 Estimate, $4,900,000; 1991 Estimate, $4,866,000; Decrease, $34,000)

	1989 Actual		1990 Estimate		1991 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	66.81	$4,635,000	62.56	$4,349,000	62.56	$4,272,000	--	$-77,000
Other Operating Revenues ..	3.69	379,000	3.69	399,000	3.69	429,000	--	30,000
Current Restricted Revenues	--	148,000	2.50	152,000	2.50	165,000	--	13,000
Total	70.50	5,162,000	68.75	4,900,000	68.75	4,866,000	--	-34,000

Under this heading are grouped the activities and functions of the Board of Governors; the International Advisory Panel which provides external evaluation of Center programs; the Office of the President and Vice President which provides the overall planning, coordination, and direction of the Center's programs including fund raising; public affairs; and the Office of Administration which provides personnel, fiscal, budget, computer systems, facilities management and logistical services for the Center. The primary focus in this area is to increase productivity through streamlined organization and staffing, staff development, computerization and increasing housing and other revenues. Support services will be strengthened and improved.

New systems will be developed and implemented to accomplish this task. Involvement from all organizational units within the East-West Center will be required to adapt to a new environment where transactions can be entered and controlled directly by sub-organizational units.

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

Summary of Budgeted Expenditures by Program Category
(in thousands)

C. Total Program and Resources

	1989 Actual					1990 Estimate				
	Perm	Cngrssnl	OtherFunds/Contract			Perm	Cngrssnl	OtherFunds/Contract		
	Staff	Approp	General	Restricted	Total	Staff	Approp	General	Restricted	Total
Education Research and Training Program										
Environment & Policy Inst	32.50	$ 2,463	$ 619	$ 177	$ 3,259	34.75	$ 2,388	$ 653	$ 218	$ 3,259
Population Institute	48.35	2,912	361	908	4,181	50.10	2,866	381	918	4,165
Resource Systems Inst ...	42.32	3,295	592	683	4,570	46.32	3,850	624	690	5,164
Inst of Culture & Commun.	43.00	3,363	1,175	341	4,879	41.30	3,570	1,239	350	5,159
Pacific Islands Dvlpt Pgm	13.00	676	75	365	1,116	13.00	582	79	465	1,126
Student Affrs/Open Grants	25.50	2,062	179	77	2,318	25.70	2,227	189	80	2,496
Auxiliary Services	10.00	594	590	--	1,184	10.00	598	610	--	1,208
Subtotal	214.67	15,365	3,591	2,551	21,507	221.17	16,081	3,775	2,721	22,577
Program Direction, Administration & Institute Support										
Board of Governors & Intern'l Advisory Panel	0.75	141	58	--	199	0.75	142	61	--	203
President	6.75	658	122	129	909	7.00	437	129	130	696
Public Affairs	11.00	751	43	4	798	12.00	641	45	4	690
Office of Admin	2.00	144	--	--	144	2.00	154	--	--	154
Financial & Admin Serv.	21.00	768	80	--	848	21.00	798	84	--	882
Mgt & Computer Services	17.00	997	73	--	1,070	14.00	969	77	--	1,046
Personnel	5.00	211	1	--	212	5.00	219	1	--	220
Logistics	4.00	192	1	15	208	4.00	190	1	18	209
Facilities Management .	3.00	773	1	--	774	3.00	799	1	--	800
Subtotal	70.50	4,635	379	148	5,162	68.75	4,349	399	152	4,900
Total, Budgeted Expenditures	285.17	20,000	3,970	2,699	26,669	289.92	20,430	4,174	2,873	27,477

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

Summary of Budgeted Expenditures by Program Category

(in thousands)

	1991 Actual					Increase or Decrease (-)				
	Perm Staff	Cngrssnl Approp	OtherFunds/Contract General	OtherFunds/Contract Restricted	Total	Perm Staff	Cngrssnl Approp	OtherFunds/Contract General	OtherFunds/Contract Restricted	Total
Education Research and Training Program										
Environment & Policy Inst	34.75	$ 2,374	$ 704	$ 250	$ 3,328	--	$ -14	$ 51	$ 32	$ 69
Population Institute	50.10	2,815	411	960	4,186	--	-51	30	42	21
Resource Systems Inst ...	46.32	3,709	673	787	5,169	--	-141	49	97	5
Inst of Culture & Commun.	41.30	3,486	1,336	355	5,177	--	-84	97	5	18
Pacific Islands Dvlpt Pgm	13.00	592	85	565	1,242	--	10	6	100	116
Student Affrs/Open Grants	25.70	2,154	204	145	2,503	--	-73	15	65	7
Auxiliary Services	10.00	598	632	--	1,230	--	--	22	--	22
Subtotal	221.17	15,728	4,045	3,062	22,835	--	-353	270	341	258
Program Direction, Administration & Institute Support										
Board of Governors & Intern'l Advisory Panel	0.75	143	66	--	209	--	1	5	--	6
President	7.00	389	139	140	668	--	-48	10	10	-28
Public Affairs	12.00	639	48	5	692	--	-2	3	1	2
Office of Admin	2.00	159	--	--	159	--	5	--	--	5
Financial & Admin Serv.	21.00	802	90	--	892	--	4	6	--	10
Mgt & Computer Services	14.00	948	83	--	1,031	--	-21	6	--	-15
Personnel	5.00	224	1	--	225	--	5	--	--	5
Logistics	4.00	194	1	20	215	--	4	--	2	6
Facilities Management .	3.00	774	1	--	775	--	-25	--	--	-25
Subtotal	68.75	4,272	429	165	4,866	--	-77	30	13	-34
Total, Budgeted Expenditures	289.92	20,000	4,474	3,227	27,701	--	-430	300	354	224

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

Recapitulation of Total Budget Resources
(in thousands)

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Federal Appropriation	$20,000	$20,430	$20,000	$-430
Other Revenue:				
Other General Operating Revenues:				
Contributions				
Cash	388	427	502	75
Cost Sharing	351	386	425	39
Donated Services	1,778	1,865	1,990	125
Subtotal Contributions	2,517	2,678	2,917	239
Recovery of Indirect Costs	333	350	379	29
Auxiliary Enterprises	421	441	463	22
Other	699	705	715	10
Total, Other General Operating Revenues	3,970	4,174	4,474	300
Current Restricted Revenues:				
Contracts & Grants				
Federal	1,120	1,175	1,275	100
Other	1,427	1,498	1,652	154
Contributions	152	200	300	100
Total, Current Restricted Revenues	2,699	2,873	3,227	354
Total, Other Revenue	6,669	7,047	7,701	654
Total, Budget Resources	26,669	27,477	27,701	224

NATIONAL ENDOWMENT FOR DEMOCRACY

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Appropriation Requirements (Relationship of Appropriation Estimate to Current Appropriation)	$15,800,000	$16,771,000	$25,000,000	$ 8,229,000

General Statement

The National Endowment for Democracy is a private, nonprofit corporation established in the District of Columbia in 1983. The Endowment is administered by an independent bipartisan Board of Directors representing a broad range of private-sector organizations committed to the strengthening of democratic values and institutions around the world.

The purposes of the Endowment, as stated in its Articles of Incorporation, are:

1. to encourage free and democratic institutions throughout the world through private-sector initiatives, including activities which promote the individual rights and freedoms (including internationally recognized human rights) which are essential to the functioning of democratic institutions;

2. to facilitate exchanges between United States private-sector groups (especially the two major American political parties, labor and business) and democratic groups abroad;

3. to promote United States nongovernmental participation (especially through the two major American political parties, labor, business, and other private-sector groups) in democratic training programs and democratic institution-building abroad;

NATIONAL ENDOWMENT FOR DEMOCRACY

4. to strengthen democratic electoral processes abroad through timely measures in cooperation with indigenous democratic forces;

5. to support the participation of the two major American political parties, labor, business, and other United States private-sector groups in fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism; and

6. to encourage the establishment and growth of democratic development in a manner consistent both with the broad concerns of United States national interests and with the specific requirements of the democratic groups in other countries which are aided by programs funded by the Endowment.

The authorization for the Endowment, the "National Endowment for Democracy Act," (P.L. 98-164, as amended) establishes auditing and reporting procedures for the Endowment and provides that the United States Information Agency make an annual grant to the Endowment to carry out the purposes stated above. The Endowment does not carry out programs directly but provides funding for the activities of numerous private groups and organizations.

Now in its seventh year of operation, the Endowment has an impressive number of program successes to its credit. These successes are largely due to the Endowment's grantees -- people abroad who are passionately and courageously devoted to democracy. For them, democracy is not something to be taken for granted. It is a precious ideal whose value is enhanced by the very precariousness of its existence in some countries, or by its denial by force in many others. Many of the Endowment program successes have taken place in Central and Eastern Europe, where, until very recently, promoting democracy meant providing support to groups and individuals struggling to maintain the democratic idea and to sustain an independent existence outside the reach of an all-encompassing state.

In these difficult circumstances, the National Endowment for Democracy provided both moral and material support for the beleaguered activists of democratic movements. Endowment funds were used to provide simple printing presses for the underground in Poland; to give support to the underground structures of the Solidarity free trade union movement; to help Charta 77 in Czechoslovakia monitor and publicize human rights abuses and sustain the fledgling underground publishing movement; to provide Hungarian dissidents with paper and ink to publish their journals; to bring visitors to Romania with literature and small items of material assistance for dissidents who were under constant surveillance.

In the course of this work, the Endowment has systematically built up a broad range of contacts. Many of the people who were once our "underground" collaborators are now in high government positions. In both Poland and Czechoslovakia, and probably soon in Hungary as well, people we met in clandestine circumstances are now greeting us in the halls of power.

Many of these people are now turning to us for help in this new phase of transition; the Wall has come tumbling down, but the new institutions of democratic governance and civil society have not yet been consolidated. There is still a danger of reverting to chaos and authoritarianism, especially in the countries where the harshness of the system suppressed even the smallest emergence of civil society.

The task before the reformers is immense: to create a pluralist political system with competing parties where before there was a monolithic one-party state; to create viable institutions of local democracy, where before there were only transmission belts for orders from above; to establish a free press, where before there were only publicity broadsheets for the ruling elite; to create a judicial system based on the rule of law, where before the law was an adjunct to the instructions of the Party; to create truly independent trade unions, where before there were instruments to control every aspect of the worker's life; to establish business associations to encourage the pursuit of private enterprise, where before there were none; to maintain all the elements of civil society, including culture, education, and independent interest groups, where before all entities and all education were fashioned to serve the state.

The Endowment and its affiliated core institutes -- the Free Trade Union Institute, the Center for International Private Enterprise, the National Democratic Institute for International Affairs and the National Republican Institute for International Affairs -- are acutely aware of the enormity of this task. Having played a unique role in the events that have led to this point in Eastern Europe, NED is poised to support the transition to democracy in the countries of Eastern Europe, as we have in other areas of the world. This is the purpose for which the Endowment was created and for which an increased funding level will provide tangible results.

The Endowment's program, of course, is by no means limited to Central and Eastern Europe. Among those on the frontlines of democracy with whom NED has established bonds of solidarity and cooperation include: democratic Chinese intellectuals and students who have not been thwarted by the massacre in Tiananmen Square from their efforts to promote reform and opening of the political system in China; Vietnamese exiles and dissident Vietnamese authors, seeking to provide fellow countrymen with accurate information on what is happening in both their country and the outside world; labor, business and political groups comprising the civic opposition in Nicaragua, along with the editors of La Prensa newspaper, youth activists and many others who have refused to succumb to fear and repression; political, labor, business and civic groups in Chile which have set that country on the path of peaceful democratic transition after fifteen years of dictatorial rule; democratic activists in Panama, whose training in establishing a national election monitoring effort proved critical in exposing the corruption of the 1989 election, and who are are faced with the task of rebuilding democratic institutions following the overthrow of an authoritarian regime; leaders of political parties in Haiti, who are struggling to define their role during this critical period of that country's painful transition to democracy.

These are but a few of the countries where the Endowment has been active. Among the many projects NED supported in 1989, there are some which have already had an especially broad and significant impact. These include: the Institute for Liberty and Democracy in Peru, whose pioneering work with the vast informal sector of microentrepreneurs has produced a new free-market approach to development in the Third World that is beginning to transform development theory and policy around the world; the Center for Democracy in the U.S.S.R., which, since its establishment in 1986, has become preeminent in promoting democratic processes in the Soviet Union by supporting independent individuals, groups and publications; KABATID, the Philippine Women's Movement for the Nurturance of Democracy, which has provided a major vehicle for women involved in the 1986 "People Power Revolution" to continue to work for democracy and freedom; and the International Coalition for Human Rights in Cuba headed by Armando Valladares, which continues to broaden public awareness of human rights violations in Cuba and to bring international public opinion to bear upon that country for liberalization inside.

The Endowment would like to continue to develop such initiatives, as well as provide support for worthwhile new programs. Now in its seventh year of operation, the quality of proposals the Endowment receives has increased dramatically as people develop a better understanding of the Endowment, as NED gains experience, and as more and different kinds of initiatives that can be undertaken are developed.

The average size of Endowment grants has decreased significantly as the Endowment makes more grants for a growing spread of programs. The Endowment is funding only the most critical programs rather than other important initiatives whose impact can only be shown over the long term.

In the area of women's programs, the Conciencia program begun in Argentina has now led to the establishment of similar women's civic groups in Brazil, Colombia, Ecuador and elsewhere. The Endowment is pleased that this program has been so successful and that groups in other countries and regions want to build upon its success relative to their own situations. Africa and the Islamic world also represent important areas where much more could be done.

The National Endowment for Democracy is potentially the most effective instrument the United States has for advancing democratic values in the world. It is cost-effective, activist, engaged. It not only provides concrete assistance to democrats on the frontlines of political struggle, but sends a message of solidarity and democratic commitment. The Endowment is gaining goodwill as it assists our friends, thereby advancing U.S. interests as well. As the Endowment continues to progress, its needs should be weighed against the enormity of the challenge it faces and the promise this institution offers for serving the finest ideals and highest interests of our country.

The Endowment is currently funding programs in the following substantive areas:

Pluralism. The Endowment encourages the development of strong, independent private-sector organizations, especially trade unions and business associations. It also supports cooperatives, civic and women's organizations, and youth groups, among other organizations. Programs in the areas of labor and business are carried out, respectively, through the Free Trade Union Institute (FTUI) and the Center for International Private Enterprise (CIPE).

Democratic Governance and Political Processes. The Endowment seeks to promote strong, stable political parties committed to the democratic process. It also supports programs in election administration and law, as well as programs that promote dialogue among different sectors of society and advance democratic solutions to national problems. Much of the Endowment's work in this area is carried out through the National Democratic Institute for International Affairs (NDI) and the National Republican Institute for International Affairs (NRI).

Education, Culture and Communications. The Endowment funds programs that nourish a strong democratic civic culture, including support for publications and other communications media and training programs for journalists, the production and dissemination of books and other materials to strengthen popular understanding and intellectual advocacy of democracy, and programs of democratic education.

The Endowment also devotes modest funding to research on questions related to democratic development, and to programs that encourage regional and international cooperation in promoting democracy. Some areas of Endowment programming are better suited to some countries or regions than to others. A broad, multi-faceted program is feasible in most of Latin America, for example, because the opportunities are great and there exist numerous possibilities to work with independent unions, business associations, parties and other private institutions as well as to conduct programs in the area of education, culture and communications. But in closed societies, such as those in China, Cuba and many parts of Africa, the absence of legal independent private institutions inevitably restricts work in the areas of pluralism and democratic governance. Here the preponderance of programs is in the area of education, culture, and communications. Wherever there is the possibility for broad Endowment support involving all of its core grantees as well as other grantees, the Endowment aims to coordinate the various programs so as to avoid duplication and to maximize the impact of the overall effort. The Endowment also engages in regular consulations with the Department of State, the U.S. Information Agency and the Agency for International Development for the same purpose.

I. Eastern Europe and the Soviet Union

The most remarkable political development during the past year has been the democratic opening in the countries of Eastern Europe. Despite widespread skepticism at the time that any democratic gains could be achieved in Eastern Europe, the National Endowment for Democracy became closely involved with the pro-democratic forces, particularly in Poland, Hungary, Romania and Czechoslovakia, well before the dramatic events of 1989. NED's support for Solidarity, as well as for independent cultural and publishing groups and human rights organizations operating underground, helped sustain them during the difficult period when they were subject to official harassment and suppression. Although the needs of pro-democratic activists in Poland, Hungary and the rest of Eastern Europe are different from what they were as recently as a year ago, it is precisely these groups who are now in the forefront of establishing democratic institutions and whose work must continue be supported.

The dramatic collapse of Communist governments throughout the Central and East European region has left a power vacuum that will not be filled until free and fair elections are held. Hungary and East Germany go to the polls in March, Romania in May, Bulgaria and Czechoslovakia in June. Poland will hold nationwide elections for local government office in April, and some of the republics in Yugoslavia have determined to open up their governments to free elections.

The sudden call for elections has in all cases been accompanied by the disintegration of Communist Party power and the legalization of a multi-party system. Almost without exception, however, the emerging parties or popular front coalitions both lack the experience of competitive elections and are suffering a chronic shortage of infrastructure and basic office equipment. Newspapers and TV, for the most part, are still under the control of the old forces.

The NED has received requests for assistance to purchase computers, facsimile machines, photocopiers, videocassette recorders, typewriters, office supplies, and printing equipment for immediate pre-electoral needs. In addition, NED's affiliated political party institutes have already undertaken training programs for political activists which need to be expanded. They have given expert advice on the design of new electoral systems. Many democratic groups and civic organizations are concerned that their population has insufficient experience or even trust in an electoral system that for years was an obligation rather than a way to exercise free choice. They are desperately trying to provide what information and publicity they can in the short time available. NED's support could increase their outreach capability and help to ensure the best possible framework for the election. The outcome and legitimacy of these elections could determine the degree of stability in the region for the foreseeable future.

In the Soviet Union, support for the continuing process of democratization and the development of institutions that have emerged during the period of reform will contribute to regional stability and the consolidation of democratic development in the region.

The need to provide material support, training and technical assistance for emerging democratic institutions during this historic period is crucial. NED's support will be concentrated in the following areas: Assistance for organizing democratic elections and processes, and strengthening institutions of democratic governance; building new democratic political parties and civic institutions for political change; development of independent trade unions; development of organizations committed to the establishment of a free market economy; strengthening the institutions of civil society in the areas of education and culture; helping to establish a free and independent press; development of an independent judiciary and other institutions for the protection of human rights; and promoting regional integration through cooperation between democratic forces within the countries of Central and Eastern Europe.

Events in the countries of Eastern Europe over the past year represent a watershed in the history of the Communist world. The opportunities for the Endowment to assist democratic forces are great and we will seek to devote as many of our resources as we can to meeting this historic challenge.

II. Latin America and the Caribbean

Despite persisting economic difficulties, democracy continues to maintain its advances in Latin America and the Caribbean. Just a decade ago, the region was dominated by authoritarian military governments which claimed to be the best guarantors of peace, stability and prosperity. Now, such regimes have given way to democratically elected civilian governments in no fewer than nine countries: Argentina, Bolivia, Brazil, Ecuador, El Salvador, Guatemala, Honduras, Peru and Uruguay. Over the same period, democracy advanced in the Dominican Republic, Belize attained independence as a democratic state, Mexico moved toward greater pluralism and entrenched dictatorships were ousted in Grenada and Haiti. During the past year, Chile and Paraguay, which had been exceptions to the general democratic trend, made remarkable advances toward greater democracy. Panama can now begin the process of building a democratic future. Even in Nicargua, the elections scheduled for February 1990 offer some hope of movement in a positive direction. But not all the trends are favorable. In Haiti, clearly expressed popular aspirations for democracy remain unfilled and Cuba continues to be the most repressive country in the Hemisphere.

Endowment programs in this region have two basic objectives:

1. In the new democracies, the objective is to assist in the consolidation of democratic gains. Activities, primarily in the areas of pluralism and democratic governance, will include programs that advance market-oriented thinking as a significant factor in the promotion of democracy, programs in political development with parties and legislators, union-building efforts, support for women's and youth organizations and civic education efforts designed to encourage popular understanding of and participation in the democratic process.

2. In the non-democratic states, the objective will be to assist those groups working to promote greater pluralism and, where possible, a successful transition to a stable democratic government. A high priority country for the Endowment during the coming year will be Nicaragua, where elections in February may provide a critical opportunity for democratic forces. During FY 1989, the Congress of the United States appropriated $3.5

million in special funds for the promotion of democracy in Nicaragua and, last October, reprogrammed an additional $7.75 million. These funds (which NED receives through a grant from the Agency for International Development) will enable the Endowment to strengthen the prospects for a democratic electoral process in Nicaragua and continue its efforts to promote democratic institution-building during the post-electoral period.

Chile and Paraguay have long been countries of special interest to the Endowment, which played a key role in the 1988 Chilean plebiscite and the 1989 Paraguayan elections by supporting civic education and other programs designed to increase fairness and enhance voter participation. The Endowment will be closely studying the ongoing transition process in these two countries in an effort to determine the most suitable approach for future programming.

The Endowment will seek ways of meeting the basic needs of those in Panama who are engaged in building that country's democratic foundations during this critical period. Similarly, if the prospects for a transition to democracy become more promising in Haiti, the Endowment will seek to increase its support for programs there. In totalitarian Cuba, where significant assistance to independent groups has not been possible until now, the Endowment will continue its highly successful support for international efforts to exert pressure for greater respect for human rights. It will also be alert to opportunities to assist democratic efforts inside Cuba.

The Endowment will actively explore the possibility of expanding its programs in the key country of Brazil. It will also closely follow events in Mexico to consider whether more extensive cooperation with democratic groups there might be welcomed at this time. Finally, the island states of the English-speaking Caribbean, whose fragile economies and small size make them vulnerable to attempts to reverse the democratic trend, will remain an important area of Endowment programming.

III. Asia

Democracy has also made significant advances in Asia, exemplified most dramatically by the transitions to democracy in the Philippines in 1986 and in Korea and Pakistan in 1988. Other positive developments in the region include the continuation of democratic development in Thailand and the trend toward greater liberalization in Taiwan, which held its first free national election last December. On the other hand, the process of reform in China suffered a dramatic setback with the crushing of the pro-democracy movement in June 1989. Endowment programs in Asia seek to encourage democratic development in all these countries and others as well.

The Philippine government has made progress toward consolidating a stable, pluralist democracy, but it continues to face serious difficulties in acheiving broadly based economic growth and combating the challenges posed both by the Communist guerilla insurgency and by dissident elements within the military. A key priority for the Endowment is to encourage the process of democratic consolidation through assistance to democratic unions, business associations, legislators, women's organizations and other groups in the Philippines. Korea, too, faces the challenge of maintaining stable and functioning democratic order, and the Endowment will be responsive to requests from democratic groups working toward this goal.

The recent tragic events in China undoubtedly constituted a severe defe[illegible]or democratic forces in that country, but they also vividly demonstrated the breadth and depth of the desire for democratic freedoms on the part of the Chinese people. The Endowment will carefully monitor developments in China with an eye to finding ways of supporting groups peacefully working for democracy, both among exiles and within the country itself. A not entirely dissimilar situation exists in Burma, where a student-led democracy movement was also repressed by a dictatorial government. During the coming year the Endowment hopes to initiate a modest program of support for democratic forces in Burma.

In South Asia and the Near East, Pakistan will remain a primary focus of Endowment attention, with programs continuing in cooperation with democratic unions, business associations, journalists and political parties. The Endowment will be closely following the evolving political situation in Afghanistan, and if sufficient resouces become available, it will be prepared to increase its assistance for the efforts of pro-democratic Afghan intellectuals. Support for democratic educational activities will continue in India. And building upon the success of ongoing publishing and seminar programs in Turkey, the Endowment hopes to step up its efforts to reach out to democratically oriented groups elsewhere in the Islamic world.

IV. Africa

Democracy remains weak in Africa, but there is cause for hope. Across the continent there is a trend toward more liberal economic policies and greater concern about human rights. As Soviet involvement has diminshed, regional conflicts are being resolved. Having acheived its independence, Namibia proceeded to elect a democratic government last November. The cease-fire in Angola could lead to a democratic settlement of that conflict and Mozambique has abandoned Marxist doctrine and turned to the West. Algeria has joined Tunisia in moving toward a more liberalized government and economy. Nigeria's military government seems to be pledged to restore democratic government to its more than 100 million citizens -- roughly a quarter of the African population -- by October 1, 1992; two political parties created by the government are now mobilizing for popular support and the press and other independent organizations continue to press for democratic change. Democrats in Liberia see opportunities in forthcoming elections. Press restrictions have been lifted in Sierra Leone. Despite the odds, Uganda's military regime continues its tenuous democratization and reconstruction of the economy. Although Sudan has suffered a setback, democrats there remain committed to peaceful change. Multi-party democracy remains intact in Botswana, the Gambia and Mauritius, and appears to have survived in Senegal.

Endowment programs in Africa will continue to stress such pluralist institutions as free trade unions, business associations, independent press organizations, human rights groups, democratic policy and research institutes, and independent women's and civic organizations as a basis for the eventual development of democratic political institutions. Labor programs will concentrate on strengthening regional African labor organizations and independent unions in many countries with established business associations and a receptiveness to private enterprise. Party programs will seek to build on the range of contacts already established.

Although repression and polarization continue in South Africa, the potential for peaceful negotiation and the establishment of a genuinely democratic nonracial society is greater today than at any other time in the country's history. To this end, South Africa remains the country of greatest priority for the Endowment in Africa. The Endowment will continue to support programs that strengthen grassroots community organizations, promote dialogue and an understanding of democracy and contribute to an open and democratic exchange of views and information.

V. Western Europe

While democracy is well established in most of Europe, it was only during the 1970s that it was restored in Spain, Portugal and Greece. Democracy now appears secure in these countries, but democratic groups -- particularly in the labor field -- continue to be challenged by powerful and well-funded anti-democratic rivals. The Endowment will therefore continue to devote a very small portion of its resources to strengthening democratic unions, business associations or other democratic groups in this part of the world.

NATIONAL ENDOWMENT FOR DEMOCRACY

VI. Multiregional Programs

A number of Endowment programs are multiregional. These may include efforts to establish an association of democracies, the promotion of contacts among democratic advocates from different regions, publications that reach beyond a single region, research on democratic development, support for an international women's organization or efforts to assess the political and economic significance of the informal sector in various regions of the world. The Endowment's own new quarterly publication, the Journal of Democracy (which is supported by private funds), will also be multiregional in scope and distribution. Such programs represent an important means to encourage international cooperation in the building and strengthening of democracy. Through such efforts, the Endowment hopes to foster a sense of common identity and purpose among democratic groups around the world.

It is the Endowment's policy to fund requests which respond to the expressed needs of those the program is intended to assist. Because the Endowment Board is unable to predetermine the nature and quality of the proposals which will be submitted, the priorities which it sets must remain somewhat flexible. It is noteworthy that, in the course of the Endowment's work over the past seven years, the number and quality of proposals the Endowment receives has increased dramatically. Indeed, the Endowment receives far more worthy proposals than it is able to support, and those which are supported are seldom funded at adequate levels. The Endowment has already identified and funded a number of very high quality programs which are likely to be refunded, although not at the levels required, if this is justified by careful evaluation. This introduces an important element of predictability and continuity. The budget projections which follow are intended to accommodate that flexibility as well as to indicate the overall program direction and goals of the Endowment.

NATIONAL ENDOWMENT FOR DEMOCRACY

Summary of Direct Obligation Requirements

Program Categories & Resources	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease	Page Ref.
A. Pluralism............	$ 7,349,440	$7,792,400	$11,701,900	$ 3,909,500	17
B. Democratic Governance & Political Processes	3,805,410	4,041,100	6,068,500	2,027,400	31
C. Education, Culture.... & Communications	3,155,780	3,339,600	5,015,100	1,675,500	36
D. Research &............. International Cooperation	72,500	76,300	114,500	38,200	42
E. Program Direction.....	1,416,870	1,521,600	2,100,000	578,400	43
Total..................	15,800,000	16,771,000	25,000,000	8,229,000	

NATIONAL ENDOWMENT FOR DEMOCRACY

A. Pluralism (1989 Actual, $7,349,440; 1990 Estimate, $7,792,400; 1991 Estimate, $11,701,900; Increase, $3,909,500).

An essential precondition of democracy is the existence of a variety of autonomous organized groups representing diverse interests. Exercise of the basic right of freedom of association, recognized both in our own First Amendment and in many international agreements, enables individuals with common interests to combine into strong and independent organizations that can represent the views and protect the rights of their members. Where this kind of pluralism is allowed to flourish, it is likely that undemocratic political systems ultimately will have to accommodate to a process of free and fair competition for power. And in functioning democracies, vigorous private-sector institutions present powerful obstacles to unwarranted extensions of governmental authority. Moreover, these organizations serve as "schools of democracy," accustoming their members to the free discussion, accommodation of differing views and respect for procedural rules that are intrinsic to democratic politics.

The two largest and most important elements of pluralism in the economic sphere are business and labor. The Free Trade Union Institute and the Center for International Private Enterprise, Endowment core grantees, each carry out a series of integrated programs aimed at strengthening the contributions to democratic pluralism of their counterparts abroad.

Free and independent trade unions play an indispensable role in the process of democratization. Encouraging their growth and stability constitutes a fundamental part of the Endowment's effort to promote democracy. A significant portion of the Endowment's program resources is devoted to this area of work through grants to the Free Trade Union Institute (FTUI).

NATIONAL ENDOWMENT FOR DEMOCRACY

The Free Trade Union Institute has organized its programs into six substantive categories, which are defined below with brief descriptions of FY 1989 programs supported by FTUI. The Endowment anticipates continued support for FTUI's global program for similar projects in FY 1990. Most FTUI projects have required sustained commitments over several years. FTUI has been prepared to stand with its friends abroad over the long term, to remain engaged in the arduous task of strengthening organizations and bringing them into the democratic fold in the variety of circumstances found throughout the world.

a. Institution Building: Aid to national trade union centers and international trade secretariats for infrastructure development, organizational support for regional trade union groups and for international labor organizations, efforts to counter anti-democratic subversion, funds for emergency organizational support and funds for trade union exiles.

The bulk of programs sponsored by the Free Trade Union Institute involves helping sister unions develop democratic structures as a bulwark against state control or communist subversion and as essential to any transition from authoritarian to democratic forms of government. Among the unions being assisted by the Free Trade Union Institute are those in:

- Poland, where FTUI has supported the independent Polish trade union movement. The Brussels-based Coordinating Office of Solidarnosc Abroad disseminates information in the West on trade union rights in Poland and assists union activities inside Poland. In addition, assistance is given to others engaged in support work for Solidarity publications in Poland.

NATIONAL ENDOWMENT FOR DEMOCRACY

- Chile, where FTUI has funded labor education courses conducted by the Democratic Workers' Central (CDT) and democratic unions which are members of the Single Workers' Central (CUT). Political education through training seminars will be an important component of the union activities as the nation works toward a return to representative government.

- Asia, where FTUI has provided assistance to International Trade Union Organizations. One aspect of the program involves U.S. unions working with their counterparts in Asia through international trade secretariats. A second aspect involves support for the five trade union federations whose national governments are members of the Association of Southeast Asian Nations (ASEAN), the Philippines, Indonesia, Malaysia, Singapore and Thailand. The federations have formed a loose association called the ASEAN Trade Union Council which, it is hoped, will one day parallel the functions of the Trade Union Advisory Council of the OECD.

- Southern Africa, where support has gone to four regional coalitions of unionists, the Southern Africa Trade Union Coordinating Council (SATUCC), the Organization of Trade Unions of West Africa (OTUWA), the Organization of Central African Workers (OTAC) and the Organization of Trade Union Unity (OATUU). Each has established agendas for promoting the development of democratic union movements in their respective regions and for devising common solutions to regional problems. OATUU will continue its program in support of working women in its affiliated organizations.

b. Exchanges: Travel that is specifically tied to other types of programs, especially comprehensive training, conferences and study. Examples of FY 1989 exchange programs include:

- South African trade unionists participated in two leadership training seminars in the U.S. focusing on enhancing their skills in areas such as adult education, labor economics, collective bargaining and financial management.

- In Latin America, FTUI continued to sponsor U.S.-Latin American labor leader exchanges to strengthen fraternal relationships through discussion of inter-American political, economic and social issues. Participants shared experiences with union members, government representatives and other decision-makers.

- Similar programs are carried out for trade unionists in Asia. Support for unions associated with the International Confederation of Free Trade Unions includes funding for forums on national issues, seminars and individual study tours on labor law, industrial relations, membership services and leadership skills.

c. Training and Civic Education: FTUI has established a broad program of training and civic education which includes programs in areas such as education on parliamentary procedure and democracy, education on techniques for organizing and servicing members, and publication and dissemination of materials. In FY 1989, FTUI sponsored such programs in:

- The Soviet Union, where support will allow trade unionists to purchase computer equipment needed for the preparation of publications on worker rights, occupational health and safety and other workplace issues.

- Haiti, where support will enable the workers to become aware of their rights and how to defend them. With assistance from FTUI, both the Federation of Trade Unions and the Independent Council of Haitian Workers will use commercial media to inform members of their rights and hold seminars to develop a group of instructors to conduct labor training courses at the local level.

- Guatemala, where assistance has been extended to the political education committee of the Guatemalan Confederation of Labor Unity to continue organizing seminars for union leadership and the rank-and-file.

d. Electoral Processes: Training dealing with electoral processes, get-out-the vote efforts, and building organizational capability to urge membership voting participation.

Many democratic unions find themselves in transitional political situations. These unions have requested American labor's help in heightening voter awareness and in preparing the unions themselves to monitor elections and act as guarantors of democratic political development. Electoral assistance is also provided for internal union elections to strengthen the democratic practices of unions worldwide.

One program underway in this category assists unions in Central American countries seeking to mobilize their members to vote. In cooperation with labor federation affiliates in Guatemala, Honduras, Panama and the Dominican Republic, the program involves educational workshops, training unionists in political action and development of techniques for nonpartisan voter mobilization.

e. Democratic Pluralism: Research and publications promoting democratic values or exposing those who oppose them, efforts to counter anti-democratic subversion, projects to assist efforts in totalitarian or dictatorial countries, the international promotion of American labor's positions, and support for trade union publications.

Information to counter the propaganda efforts of anti-democrats and to expose the violation of trade union rights may be collected and disseminated by unionists, or by other organizations with which they have ties. Research institutes and organizations of trade unionists concentrating on trade union freedoms have received significant funding from FTUI. In FY 1989, FTUI supported such programs in:

- Francophone Africa, where assistance was provided to national labor federations in French-speaking West and Central Africa. This support has helped to develop effective labor education programs which, in turn, enable workers' representatives to counter the weight of government and/or employer influences on working and living conditions.

- Korea, where FTUI has assisted the Federation of Korean Trade Unions (FKTU) and its affiliates in developing an autonomous, democratic union movement. The FKTU is undertaking a public affairs media campaign to inform the public and influence policymakers on the adoption of legislation favorable to workers.

- Poland, where FTUI is sponsoring a three-year teacher-training program in conjunction with Teachers' Solidarity, the educational branch of Solidarity. This project will allow the social studies curriculum in Poland to be systematically revised in order to reflect the principles and priorities of democracy.

f. Democratic Development: Support for labor-related projects such as land reform, community development and aid to international organizations, such as the International Confederation of Free Trade Unions, which sponsor similar efforts.

Frequently, democratic trade union development relies on the corresponding development of technical expertise. Particularly in the case of Third World unions, technical assistance enhances union capability to organize and service members. The largest FTUI program in this category is in the Philippines, where support has been provided for a country-wide program. Through assistance to the Trade Union Congress of the Philippines (TUCP) and its urban and rural affiliated unions, the program supports union newspapers and publications, trade union education, organizing and membership services, provision of health care, and assistance and counseling to farmers, including the introduction of new technologies. A special initiative includes the development and training of union journalists.

NATIONAL ENDOWMENT FOR DEMOCRACY

The Endowment awards grants for the work of the Center for International Private Enterprise (CIPE), an affiliate of the U.S. Chamber of Commerce and the Endowment's core grantee for business programs, in support of programs designed to foster the development of open market, private enterprise systems and the growth of independent business institutions as a means of encouraging the development of democratic pluralism abroad.

CIPE has identified a number of model programs that provide a basis for continued programming; the successes of these programs have been dramatic. To date, hundreds of foreign association executives have received advanced training at the U.S. Chamber's Institutes for Organization Management through CIPE scholarships. Each participant has become a key resource in efforts to create Institute programs located in regional centers abroad. This program was originally targeted for Latin America, but CIPE has now inaugurated a South Asian Institute for Organization Management as well.

In addition, CIPE has continued to provide funding to the Institute for Liberty and Democracy (ILD) in Lima, Peru, for a research and advocacy project promoting open economic systems. A private sector think tank, ILD has found that almost half of the Peruvian work force is engaged in "informal sector" activities because access to the economic system is blocked by impenetrable layers of regulation. Over the past five years, ILD has used CIPE funds to advocate deregulation, simplification of rule making, and access to the political system.

In the midst of a deepening economic crisis in Peru, ILD has expanded its efforts to open and revitalize the country's economic system. ILD is headed by economist Hernando de Soto, author of the best-selling book on the informal sector, El Otro Sendero (The Other Path). In June 1988, de Soto brought formal and informal businessmen together to discuss common problems and possible solutions. The two groups joined forces in the "Formal-Informal Union," and began a united campaign to deregulate the Peruvian economy.

This program on the informal sector has swept through Latin America and the developing world; ILD has had a growing influence on public policy and its work serves as a model that has application elsewhere in the hemisphere and in other parts of the world. ILD has already engaged in cooperative work on the informals with groups in the Philippines, Argentina, South Africa, Tunisia, Paraguay, Pakistan and elsewhere. Replication of the program in other parts of the developing world is a key priority for CIPE.

CIPE's programs are carried out in the following substantive areas:

a. Association Development. These programs focus on strengthening voluntary business organizations abroad as a means of fostering democratic pluralism. CIPE has expanded management and technical assistance programs in order to provide in-depth institution-building assistance to meet the needs of counterpart business organizations abroad. In FY 1989, CIPE supported such programs in:

NATIONAL ENDOWMENT FOR DEMOCRACY

- Paraguay, where CIPE has assisted the Paraguayan Foundation for Cooperation and Development, a private nonprofit institution which works to promote the economic and political integration of the informal sector in to the formal sector through the provision to the former of training and credit services.

- Botswana, where CIPE has strengthened the operations of the Botswana Confederation of Commerce, Industry and Manpower, enabling it to reach out and service small firms in order to help bridge the divisions which separate various elements of the business community.

- Uruguay, where CIPE has promoted the results of recent research on the Uruguayan economy by CERES, a nonprofit social science research institute, allowing it to bring about positive market-oriented changes in the economic policies of Uruguay.

b. Private Enterprise Education. CIPE is currently working to expand the teaching of private enterprise and enhance the capacity of business communications to reach such audiences as the media, political leaders, employees, youth and others. If budgets allow, CIPE would like to expand its efforts in this program category. Examples of CIPE-supported programs in this area in FY 1989 include:

- Assistance to Argentina's Action for Private Initiative Foundation to develop a curriculum of the seminars for high school and university students on market economies and democratic governance processes.

- Support for the Southern Africa Black Taxi Association (SABTA), one of South Africa's largest black trade associations, to expand and enhance its communications infrastructure.

- Development of a program of assistance to Poland's Krakow Industrial Society, whcih seeks to encourage, educate and assist private entrepreneurs through courses, publications and legal and economic advisory services.

- Development of a program of assistance for the Hungarian Association for Private Entrepreneurs which will conduct courses for private businessmen and develop a series of television spots promoting the principles of private enterprise.

c. Business Advocacy and Public Opinion: CIPE programs in this category are based on the conviction that the creation of open market, private enterprise systems is a key factor in strengthening pluralism. Examples of CIPE programs in this area in FY 1989 include those in:

- Argentina, where CIPE assisted the Mediterranean Foundation's Institute for Economic Studies of Latin American and Argentine Reality (IEERAL) in continuing its economic advisory service for Argentine legislators. The Institute distributes legislative analyses of economic issues to legislators, journalists, business associations and advocacy groups in an effort to strengthen the Congress' policy-making role within a democratic Argentina and promote market-oriented economic policy.

- Pakistan, where a CIPE-organized conference on Micro-enterprise and the Informal Sector prescribed steps necessary to liberate this sector's entrepreneurial energy.

d. Clearinghouse: This category involves both research and demonstration programs as well as special projects. Examples of FY 1989 CIPE programs in this area include:

- A conference held in Washington, D.C., in February, 1989 which was addressed by specialists in privatization, deregulation, foreign assistance, structural adjustment and conditionality, fiscal, monetary and trade policy, and the global economic environment. The participants included approximately 100 A.I.D., State Department, World Bank, IMF, congressional and think tank staff.

- Support for a quarterly journal entitled the Journal of Economic Growth. Given the relative lack of market-oriented materials in the developing world, the Journal was designed to provide the proponents of free market/limited government views with facts and ideas that can be used in their efforts to influence and formulate public policy. In keeping with its desire to disseminate this information in the developing world, a liberal reprint policy is encouraged by the Journal. The Journal is currently published in English, French and Spanish.

NATIONAL ENDOWMENT FOR DEMOCRACY

Through a variety of additional grantees, the Endowment also provides support to strengthen other kinds of private-sector organizations abroad. For example, the Endowment funds programs that reinforce the democratic character of cooperatives and enhance their contribution to the democratization of developing countries. Assistance is also provided to a variety of civic and social organizations, including those designed to increase the democratic participation of women, youth and minorities.

Examples of grants the Endowment supported in FY 1989 to strengthen pluralism include those to:

- The Polish American Congress, to enable the Multinational Fund for Friendship and Cooperation in Central and Eastern Europe to develop a wide variety of multilateral initiatives including intellectual centers, trade union groups, political parties and youth organizations.

- The International Rescue Committee, to establish a nonpartisan Afghan Women's Center in Peshawar, Pakistan where educated Afghan women can promote participation in the rebuilding of Afghan social and political structures.

- Delphi International, to bolster the efforts of a democratic nonpartisan youth movement which supports free and competitive elections, promotes political participation and provides democratic education to Nicaraguan youth. Delphi has also been awarded a grant to assist Encuentro, an Uruguayan women's organization which provides civic education and promotes citizen participation in the democratic process and enhances the role of women in the political life of the country.

- The Friends of NAMFREL in America, a nonpartisan organization which increases understanding of political and social developments in the Philippines, for the purpose of expanding the national network of KABATID, the Women's Movement for the Nurturance of Democracy. The FY89 grant has enabled KABATID to coordinate membership drive, citizens forums and media groups in other Asian countries.

NATIONAL ENDOWMENT FOR DEMOCRACY

- The Lawyers Association of Free Afghanistan, a professional association of lawyers committed to the rule of law and pluralistic democracy which seeks to assist in the transition to a less autocratic government in Afghanistan by supporting programs which promote the rule of law, respect for human rights and a central role for the private sector.

- The Cambodia Documentation Commission, an organization composed of Cambodians, Cambodia specialists, human rights advocates and legal scholars, for preparation of a plan to establish an indigenous human rights monitoring program in Cambodia and to train five Cambodians as human rights trainers, teachers and organizers.

NATIONAL ENDOWMENT FOR DEMOCRACY

B. Democratic Governance and Political Processes (1989 Actual, $3,805,410; 1990 Estimate, $4,041,100; 1991 Estimate, $6,068,500; Increase, $2,027,400).

Democracy requires a system of representative government in which leaders are chosen in freely contested, fair and periodic elections, and the rights of individuals and groups within a society are assured through the just and equitable rule of law. The Endowment seeks to strengthen such systems in countries where democracy is newly established, fragile or under challenge from anti-democratic forces of the left or right. The Endowment also seeks to facilitate and encourage a transition to democracy where such opportunities for a positive evolution exist. Even in non-democratic countries, the Endowment may be able to work with certain official institutions -- e.g. an independent judiciary -- whose strengthening may facilitate an eventual emergence of democratic rule.

A democratic political system requires strong, stable political parties committed to the democratic process. In FY 1989, the Endowment committed a significant portion of its program resources to this area, aiding parties abroad through the National Democratic and National Republican Institutes for International Affairs, core grantees of the Endowment. The essential role of political parties in any stable democracy is universally accepted and the goal of strengthening their participation in the political process is a high priority for the Endowment. As the countries of Eastern Europe prepare for free national elections and move toward the establishment of democratic institutions, the two party Institutes have a particularly important role to play. The Endowment will provide them significant support in FY 1991.

Examples of programs the National Democratic Institute for International Affairs has implemented include:

NATIONAL ENDOWMENT FOR DEMOCRACY

- An international conference on "The Role of Parliaments in Developing National Economic Policy," providing Polish parliamentarians an opportunity to learn the means used by legislatures in other countries to consider economic issues and develop national economic policy.

- A broad program of assistance to the Committee for Free Elections (CEL) in Chile which has contributed decisively to the success of the process of peaceful transition to democracy.

- Training seminars in Hungary on the practical mechanics of democratic party organization, civic education and campaign methodology. These seminars are being organized on a nonpartisan basis, with respect to both the international political professionals who lead the sessions and the Hungarians invited to participate.

- A series of technical missions and training seminars designed to help democratic activists in Panama -- including those associated with political parties and civic groups -- develop specific strategies to promote fair and free elections.

- Assistance to the Center for Democratic Studies (CED) of Paraguay in conducting a nonpartisan voter registration and civic education campaign prior to the May 1, 1989 presidential and congressional elections. NDI also sponsored a bipartisan international observer delegation which witnessed the elections.

- A series of conferences in Liberia organized in cooperation with various independent Liberian institutions on the rule of law and the role of business, a free press and the church in a democracy.

- A program in Namibia to encourage maximum voter participation and a fair electoral process through voter education, seminars and workshops with political activists and election monitoring.

NATIONAL ENDOWMENT FOR DEMOCRACY

In 1987 NDI sponsored a conference on "Women, Leadership and Democracy." The conference led to the establishment of the International Institute for Women Political Leaders. The Institute, a nonpartisan international organization, aims to enhance women's roles in political parties and other democratic institutions.

The National Republican Institute for International Affairs has also undertaken a number of key initiatives in this program area in FY 1989, which include:

- Assistance to the Hungarian Democratic Forum for its education program, the development of its communications capabilities and in consolidating its organization.
- Support for the Centro de Estudios Publicos (CEP) in Chile, whose public opinion surveys have been highly successful in influencing decision makers from all sectors of the Chilean political spectrum.
- The strengthening of democratic values in Bolivia through grants to FUNDEMOS, an organization which emphasizes voter education, including sponsorship of a televised Pesidential Candidates Dialogue for the May 1989 elections, as well as voter mobilization.
- Support for the Centro de Estudios Economicos, Politicos y Sociales (CEPS) in Honduras, a research and training center affiliated with the National Party of Honduras. The primary mission of the center is to conduct political and economic research as well as training programs for women and youth.
- Assistance to the Fundacion Simon Bolivar in Colombia, whose Inter-American Forum served as a clearinghouse for exchanges among Latin American democratic parties. The Forum has disseminated foreign policy issue information to parties throughout the hemisphere and is facilitating exchange of information and techniques among those with the responsibility for the design and implementation of party activities.

- Assistance to the Caribbean Democratic Union (CDU), to continue activities promoting democratic values, political development and participation and institution-building in the Caribbean. Communication among CDU member parties is being enhanced by the development of a library of information on political and democratic development.

The Endowment also seeks to strengthen democratic governance and political processes through other programs, including support for nonpartisan public policy institutes that pursue democratic goals and programs aimed at encouraging the commitment to democracy of key public-sector groups including the military.

Examples of grants the Endowment made in FY 1989 in this area include those to:

- American Friends of Afghanistan, to enable the Cultural Council of the Afghan Resistance of Islamabad, Pakistan establish an independent, nongovernmental Afghan Institute for Policy Studies to stimulate and focus Afghan discussion and debate on major public policy issues related to the political reconstruction of Afghanistan.

- Delphi International, to assist the Committee for Free Elections (CEL) of Santiago, Chile in conducting a program aimed at supporting the transition to democratic government in that country. After mounting a broadly-acclaimed civic education program prior to the landmark plebiscite of October 1988, the CEL is embarking on a new phase of activity to provide a nonpartisan forum for the discussion of key issues in the transition;

NATIONAL ENDOWMENT FOR DEMOCRACY

- Capacitas International, a consulting organization which contributes to the national and regional integration of Latin America, to assist CEPEI, a nonpartisan research center in Lima, Peru. CEPEI is conducting a series of seminars and publishing papers on the role of the military in a democratic Peru;

- The America's Development Foundation, to enable the Haitian International Institute for Research and Development (IHRED) to promote democratic values and processes in Haiti. The Institute's central program has been a series of colloquia designed to foster dialogue and cooperation among private sector organizations throughout Haiti and to influence the development of Haitian public policy;

- A number of organizations in South Africa have received NED assistance for work in the areas of community participation, democratic ideas, and mediation and reconciliation, including: the Black Consumers Union; the Institute for a Democratic Alternative for South Africa; LAMLA, an inter-racial, inter-denominational conciliation and mediation group in the Western Cape; and the Center for Foreign Policy Options for a community development training course for black South Africans.

c. Education, Culture and Communications (1989 Actual, $3,155,780; 1990 Estimate, $3,339,600; 1991 Estimate, $5,015,100; Increase, $1,675,500).

One of the most essential aspects of the Endowment's work is in the realm of education, culture and communications. Democratic political institutions will not take hold and endure unless they are buttressed by a strong civic culture and supported by a populace that is committed to such ideals as the rule of law, individual liberty, free and open debate, majority rule and protection of the rights of minorities. Training in democratic habits and principles is most effective if it begins during youth. In FY 1989, the Endowment provided assistance to a number of youth civic education initiatives.

The general prospects for the advance of democracy in the world depend in large part on the cogency and vigor with which its advocates can defend the case for free societies. Accordingly, the Endowment has supported programs aimed both at improving popular understanding of democracy -- through, for example, the dissemination of books, films and now in the rapidly expanding area of videos -- and at promoting contacts among pro-democratic intellectuals, writers, scientists and artists. Efforts in the realm of culture and opinion assume special importance with regard to closed societies, where other levers for promoting progress toward democracy are generally not available.

To date, the Endowment has maintained a broad, bold and multi-faceted program in the category of education, culture and communications. Highlights include programs in:

NATIONAL ENDOWMENT FOR DEMOCRACY

- Uganda, where the Joint Center for Political Studies has assisted the Financial Times, an independent newspaper focusing on economic and political issues. Purchase of a desktop publishing system will enable the paper to improve its quality and allow for increased circulation and advertising. The Financial Times reports regularly on human rights problems, corruption and the need for a democratic constitution for Uganda.

- Afghanistan, where support has been given to the Afghanistan Relief Committee for two publications projects: the Writers Union of Free Afghanistan (WUFA), a group of intellectuals who publish a quarterly journal and translate books and articles about the Soviet system for distribution inside Afghanistan; and the Afghan Information Centre, which publishes a monthly English-language bulletin reporting on events inside Afghanistan.

- India, where the James F. Byrnes International Center of the University of South Carolina has enabled the Leslie Sawhny Programme of Bombay to continue its program of training in the processes of participatory democracy. Current and potential leaders in Indian civic and political life participate in training programs in citizenship, political organization and the principles of democracy.

- Czechoslovakia, where the Czechoslovak Society of Arts and Sciences has supported a number of initiatives to assist independent publishing, cultural and scholarly activities. One aspect of the program involves assistance to a London-based Support Group for the Jazz Section, a unit of the Czechoslovak Musicians' Union which serves as a voice for the alternative culture in Czechoslovakia.

- Hungary, Poland and Czechoslovakia, where the Institute for Democracy in Eastern Europe is assisting a broad range of publications which discuss economic and social issues and supports the establishment of new publishing initiatives.

NATIONAL ENDOWMENT FOR DEMOCRACY

- Poland, where the Polish American Congress administers several projects designed to support the democratic movement, including the Paris-based POLCUL Foundation, which makes awards to independent activists in Poland to help sustain their work and contributions to independent culture; the Polish-language quarterly Literary Notebooks, an intellectual and literary journal distributed in Poland, and the Uncensored Poland News Bulletin, a bi-weekly newsletter containing documents, first-hand reports and summaries of events in Poland for use by the media, scholars and researchers throughout the world.

- Cuba, where the Cuban American National Foundation has received NED support to assist the International Coalition for Human Rights in Cuba, directed by Armando Valladares. The Coalition is expanding and strengthening its network of citizen committees in Europe and Latin America which gather and disseminate information about human rights violations in Cuba.

- Chile, where Freedom House is assisting Editorial Andante, a publishing house which focuses on issues of democracy, in sponsoring a series of public forums on key issues related to the December 1989 national elections.

- Guatemala, where American University is offering assistance to the nonpartisan Atanasio Tzul Institute in conducting a series of seminars and conferences for representatives of the political, social and economic sectors of Guatemalan society on the basic elements of a democratic system.

- The Soviet Union, where an unprecedented joint venture has brought together Atheneum, a Russian language publishing house located in Paris, with four Soviet institutions to restore previously unpublished official and private archival material and offer a broad analysis of Russian and Soviet culture.

NATIONAL ENDOWMENT FOR DEMOCRACY

The indispensability of a free and vigorous press argues for an active Endowment effort aimed at encouraging democratically-oriented publishing enterprises in the Third World. Initiatives in this area supported by the Endowment in FY 1989 include those in:

- The Soviet Union, where a grant to the Center for Democracy in the U.S.S.R. has provided for the translation into English, publication and distribution of Glasnost, an independent journal published in Moscow by Soviet human rights activists. The Center also provides technical assistance to independent groups and publications which monitor and publicize the abuse of human rights in the Soviet Union.

- Romania, where the Foreign Policy Research Institute has received support for the continued publication of the Romanian-language cultural quarterly Agora. Edited by a group of prominent Romanian emigres in the West, Agora has sought to bridge the gulf between intellectuals inside and outside Romania; it has included samizdat works by writers who remain in Romania, articles by former dissidents and emigres outside Romania and commentary on Western intellectual trends and their impact on Romania. The publication is looking to move its operations, with Endowment support, to Romania following the uprising of December 1989.

- Czechoslovakia, where a grant to the Czechoslovak Society of Arts and Sciences has assisted two organizations in their support of independent publishing, cultural and scholarly activities. The Documentation Center for the Promotion of Independent Czechoslovak Literature in Scheinfield, West Germany, has maintained an archive of samizdat literature and provided assistance to independent scholars and writers inside Czechoslovakia. The Jan Hus Educational Foundation has fostered contacts and communications among individual scholars and activists in Eastern Europe. Both are expected to play key roles during Czechoslovakia's transition to democracy.

892

- Yugoslavia, where the Institute for Democracy in Eastern Europe has supported the continued publication and increased distribution of the monthly newspaper Nasa Rec (Our Word). The Serbo-Croat paper publishes statements, discussions, petitions and protests of Yugoslav dissidents and civil rights activists.

- Nicaragua, where a grant to Delphi International has supported Nicaragua's La Prensa newspaper, one of the most important voices for freedom of the press in Latin America, with the hard currency costs of imported supplies, replacement parts, equipment and staff training needed for the paper's continued publication.

- Sudan, where the Joint Center for Political Studies has assisted the editor of the Sudan Times newspaper to publish a weekly newsletter after the newspaper was banned following the military coup of June 1989. Until the press is again free in the Sudan, the newsletter will be published in England with information from sources inside the Sudan.

- China, where China Perspective, Inc. has received support for continued publication of The Chinese Intellectual (TCI) and to support leading Chinese thinkers currently in the West. TCI is a Chinese-language quarterly journal dedicated to promoting open discussion of democratic values and institutions and of issues important to China's future. Originally targeted at students from the mainland studying in the West, the journal moved its editorial offices from New York to Beijing in 1988 and began distribution in China. At the same time it opened a center in Beijing that hosted discussions on democracy in China. In the wake of the tragic events of June 3-4, 1989, in Tiananmen Square, the editorial offices have been moved back to New York and China Perspective has begun providing support for Chinese groups whose members are currently in the West.

- Vietnam, where Que Me has received a grant for the publication and circulation within Vietnam of its Vietnamese-language magazine entitled Que Me. The monthly magazine contains articles on topics relevant to the struggle for democracy.

NATIONAL ENDOWMENT FOR DEMOCRACY

- Paraguay, where Freedom House has assisted *Radio Nanduti*, an important symbol and independent news source in Paraguay, whose broadcasting was restored following the departure from power of General Stroessner in February 1989. This assistance will enable Radio Nanduti to purchase a new AM transmitter, continue broadcasting on its FM station and maintain its operational infrastructure.

- Turkey, where the *American Friends of Turkey Foundation* received support to enable the FORUM Corporation of Ankara to continue its efforts to strengthen the understanding and practice of democracy in Turkey and to project the Turkish democratic experience to other parts of the Islamic world. FORUM's Turkish-language periodical, *Yeni Forum*, features articles on domestic and international politics, political and economic theory and development, and art, literature, and cultural affairs. FORUM also publishes works on democracy, economics and international affairs, and translations of Western writings and samizdat from communist countries.

- Central America, where a grant to *Freedom House* has allowed it to continue supporting *Libro Libre*, an association of distinguished Central Americans based in Costa Rica, with its program of disseminating democratic thought. Through the publication of books and magazines and the organization of seminars and lectures, Libro Libre serves as a catalyst for the spread of democratic values in the region.

D. Research and International Cooperation (1989 Actual, $ 72,500; 1990 Estimate, $ 76,300; 1991 Estimate, $114,500; Increase, $38,200).

Although most of its grants support action-oriented programs, the Endowment believes that well-conceived and clearly targeted research can usefully contribute to the effort to promote democracy. Accordingly, it has allocated in previous years a small portion of its resources to funding research and programs which strengthen international cooperation. Programs in this area in FY 1991 will be limited as the Endowment seeks to maximize the resources it can provide to action-oriented efforts to assist indigenous democratic groups abroad.

Examples of programs funded in this area in FY 1989 are:

- Assistance to Freedom House to continue and expand the Exchange program, a network of democratic opinion leaders in the developing and developed world launched in 1984 with Endowment support. The network now consists of over 400 individuals in fifty countries who circulate materials from Exchange mailings and share with others on the circuit writings on democratic themes.
- Support for Friends of NAMFREL in America to enable Kabatid, a nonpartisan Philippine women's organization, to organize a three-day international conference on democratic cultures of Asia for the region's key women civic leaders.

E. Program Direction and Administration (1989 Actual, $1,416,870; 1990 Estimate, $1,521,600; 1991 Estimate, $2,100,000; Increase, $578,400).

Under this heading are grouped the administrative and oversight activities of the Board of Directors, officers and staff of the Endowment which include: program development; grants management; public information; and general administrative functions. As the number of ongoing programs increases and new initiatives are begun, the Endowment's oversight and administrative responsibilities grow accordingly. Indeed, the Congress, USIA and the GAO have all stressed the importance of these administrative responsibilities, an assessment with which the Endowment Board fully concurs.

RADIO CONSTRUCTION

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
Appropriation Requirements (Relationship of Appropriation Estimate to Current Appropriation)	$65,000,000	$84,057,000	$124,657,000	$40,600,000

General Statement

Mission

The Voice of America (VOA), the radio broadcasting arm of the United States Information Agency, presents accurate and objective international news and information about the peoples, customs, and policies of the United States to interested listeners around the world. VOA operates and maintains a technical system that delivers these radio programs from studios in Washington and relay stations in the U.S. and overseas to audiences worldwide. Over the years, technical facility aging and deterioration and increasing competition from other international organizations have eroded VOA's ability to perform its assigned mission. To correct these deficiencies, a multi-year effort is well underway to modernize and expand VOA's broadcasting capabilities worldwide.

The 1991 budget request provides funding to continue the construction of the highest priority shortwave relay stations in Morocco and Thailand; lease payments for new transmitters at the Wertachtal, Germany, facility; and refurbishment, maintenance, and repairs of existing relay stations. In addition, the request provides funds for staff and operating costs for television broadcasting to Cuba. (As this budget goes to print, the Agency is developing a proposal to transfer funds from the Radio Construction account to Salaries and Expenses in order to obviate the need for the elimination of up to six VOA language services.)

Value of Radio Broadcasting

Radio has proved to be a productive vehicle for promoting foreign understanding of U.S. policies and culture. An estimated 127 million people listen to VOA each week. No other communication medium is capable of reaching such vast audiences on a timely basis.

For the most part, VOA relies on long distance shortwave for its radio transmissions. Inexpensive shortwave radio receivers enable foreign listeners to hear VOA broadcasts without in-country distribution sources or censorship. The spectacular international political events in 1989 have focussed attention on the importance of ideals and concepts carried over the airways.

For almost five decades, VOA has provided news to people hungry for information; its broadcasts have shed light for millions held captive by their leadership. The impact of these many years of truthful broadcasting of news and democratic principles has been felt. The dramatic developments in Poland, Hungary, East Germany, Czechoslovakia, and Romania are testament to the difference uncensored information can make on the course of world events. At any given time, there are international crises, such as in recent events in China and Panama, where VOA coverage is similarly valuable.

RADIO CONSTRUCTION

Change in VOA Modernization Strategy

As noted above, the modernization and expansion of VOA's technical facilities was initiated in the 1980's. In a March 1989 report, "An Agenda for Action," specific recommendations to achieve optimal coverage in the current fiscal climate were outlined. The plan calls for completing two high-priority new relay stations and placing emphasis on refurbishing existing ones to improve network coverage.

VOA has drafted a plan which establishes overall engineering objectives and near-term goals for the next 10 years (fiscal years 1990 to 2000). The plan strives to maintain VOA's global broadcasting capability and to improve the quality of its signal. The plan encompasses only high priority new construction, refurbishment of existing facilities, continued enhancement of operational effectiveness, and appropriate pursuit of new service opportunities.

The elements of the downsized strategy are:

1. Completion of the planned new shortwave stations in Morocco, Thailand, and Israel (shared with RFE/RL, the organization supervising this project), the medium wave station in Belize and continuing lease arrangements for transmitters at Wertachtal, Germany. Depending on the level of funding in FY 1991 and beyond, all of these projects could be completed by FY 1994.

2. Completion of the Satellite Interconnect System, which will link VOA studios with all of our major shortwave and medium wave stations. This method of satellite delivery will provide much greater flexibility in delivering signals to relay stations and enhance the quality and reliability of the VOA delivery system.

3. Fixing three critical defects in the system -- the aging power plant for our transmitters in Liberia; the 45 year old transmitters at the Bethany Relay Station in Ohio; and an equally antiquated medium wave transmitter in the Federal Republic of Germany.

RADIO CONSTRUCTION

4. New emphasis on refurbishing old facilities. Once the new VOA transmitters are on the air in Morocco, Thailand, and Israel the average age of the network will still be over 20 years. Just to keep the transmitters and antennas from aging further, an annual investment will be needed for replacement of transmitters, antennas, and power generators.

5. Maintenance of new and existing facilities needs more attention. The replacement value of the VOA transmitter network would approach $2 billion, and we now spend less than $5 million (or 1/4 percent of value) on maintenance and repairs. Doubling that amount now and increasing the amount gradually would be a realistic compromise between the desirable and the possible.

6. Even after completion of the new construction, gaps will still exist in the VOA network, and a low-cost means of closing them needs to be devised. In the process of revising its modernization plan, VOA has abandoned plans to build new shortwave stations in Botswana, Sri Lanka, the Far East, and Puerto Rico, and new medium wave stations in Honduras, Costa Rica, Grenada, Antigua, and Botswana. VOA proposes in lieu of this to:

   A. Pursue several modest refurbishment projects involving:

      -- Upgrading of the Sri Lanka Relay Station with new transmitters and antennas to enhance the coverage of China, South Asia, Middle East, Eastern and Southern Africa. The basic engineering designs will be initiated in FY 1991.

      -- Construction of a medium wave station in Botswana capable of delivering a strong signal to South Africa by using medium wave transmitters previously purchased. Work will begin in FY 1991, and the project will be completed in about two years.

      -- Replacement of obsolete and inefficient transmitters and antennas in the Philippines, Liberia, and California will help VOA reach audiences in the Pacific and Southern and Eastern Africa. The basic engineering design will be initiated in FY 1992.

   B. Place VOA programs on AM and FM stations in countries with free, competitive media

      -- VOA currently uses some placement services to reach important audiences in Western Europe, East Asia, Oceania, and Latin America. VOA cannot reach closed societies this way nor can these placement services be considered reliable in times of crisis.

RADIO CONSTRUCTION

7. As an essential part of this strategy, VOA will continue to try to exploit the potential of direct radio broadcasting by satellite. We have to ensure that U.S. interests are protected by monitoring technical developments, encouraging the private sector to enter the field, and working to ensure a regulatory environment that permits direct radio satellite broadcasting across borders without censorship. Experts in the field do not believe that international broadcasting by satellite will completely replace shortwave for more than 20 years, but we wish to add this important delivery capability as soon as it is economically viable.

As described above, the FY 1991 budget continues the emphasis on a new direction for rehabilitating the VOA network, on bringing the two high priority relay stations in Morocco and Thailand on line, on leasing transmitters in the Federal Republic of Germany, on initiatives for direct radio broadcasting by satellite, on replacement of the Liberia power plant, on upgrading facilities in Sri Lanka and Botswana, on major improvements, replacements, and repairs at existing relay stations and continuing TV Marti operations. We believe this represents a sound, cost-effective strategy for rebuilding the Voice of America and arresting the rate of obsolesence of the VOA delivery system.

Major Radio Construction Program Accomplishments

- International agreements were completed in previous years to permit the construction of new VOA shortwave facilities in Morocco and Thailand.
- Broadcast studio renovation and expansion continue at a steady pace. Four new studios were completed in 1985. Ten new portable studios were procured in 1985. The renovation of VOA's remaining studios is now underway. In May 1987, a two-year construction contract was awarded to renovate and re-equip 19 of VOA's 1950's vintage permanent studios. Nine studios were completed in FY 1989, and the work on the remaining ten studios will be completed in FY 1990.
- A modern master control center was completed in 1987 and is currently in full operation.
- A major portion of a multilingual, computerized text preparation and editing system, System for News and Programming (SNAP), has been installed to streamline and improve the massive journalistic production processing required daily at VOA.
- A specially configured computer facility designed for radio engineering and technical design applications has been installed for radio propagation prediction, relay station design enhancements and for the planning of VOA program scheduling.
- In October 1987, the West German Federal Post and Telecommunications Ministry (Deutsche Bundespost) began broadcasting VOA programs via the first of four new high powered transmitters under the terms of the lease agreement signed in April 1986. In April 1988, the second 500 kW transmitter began broadcasting VOA programs and in April 1989, the remaining two high powered transmitters began broadcasting VOA programs.

RADIO CONSTRUCTION

- A multi-year contract to provide high quality satellite communications directly to the relay station sites was awarded in May 1986. Earth stations installed at VOA Washington headquarters and at the Greenville, N.C., and Delano, CA, stations became operational in FY 1988. In FY 1989, the Botswana station became operational. Also in FY 1989, three additional earth stations were ordered for Liberia, Tinang, and Bethany.

- In August 1986, a temporary dual transmitter facility in Belize expanded VOA medium wave coverage to Honduras, Guatemala, and parts of Nicaragua, including Managua. The construction contract for the permanent medium wave relay station was awarded in FY 1988. The construction is scheduled for completion in FY 1990.

- Four 500,000 watt state-of-the-art shortwave transmitters at the Greenville Relay Station (GRS) were evaluated and the results were included in the technical specifications for a large order transmitter acquisition. The four transmitters are now part of GRS operations, providing improved performance and substantial energy savings.

- The first major multi-station hardware procurement for high power transmitters and assorted equipment was awarded to Marconi Electronics/Cincinnati Electronics Corp. in May 1988. Production has begun on all ten transmitters for the Morocco project. Installation is scheduled in the summer of 1990. Also, fabrication of the radio frequency (RF) subsystem for the Thailand project will begin in 1990.

- The Architectural/Engineering design of the World Operations Command and Control pilot facility was completed in FY 1987. Construction of this pilot facility was completed in March 1989 and will be operational in 1990.

- The contract for construction of the relay station facilities at Morocco was awarded in September 1988. The contracts for commercial power and water to the site were awarded in March 1988. In FY 1989, cost control and project scheduling were maintained. The Morocco installation of the radio frequency (RF) subsystem was awarded and the water contract was completed. The microwave communication system was installed also in FY 1989. The commercial power contract is scheduled for completion in the second quarter of FY 1990. The contracts for the Audio/Communication/Control Room (A/C/CR) and for the base option of the antenna subsystem are scheduled for award in FY 1990. Project completion is scheduled in FY 1992.

- Site development for new relay facilities at Thailand has been completed, and the contract for commercial power to the site was awarded in December 1988. Throughout FY 1989, cost and scheduling were maintained to award a contract for the fabrication of the RF subsystem. The first increment of a multiyear contract for the construction of the relay station facilities at Thailand was awarded in December, 1989. The base contract option of the antenna subsystem is scheduled for award in FY 1990. In FY 1991, the commercial power contract is scheduled for completion, and the second increment of the facilities contract is scheduled for award. Project completion is scheduled in FY 1993.

RADIO CONSTRUCTION

- Final testing was completed in FY 1989 at the Delano Relay Station on a prototypical antenna system, probably the largest and most advanced in the free world. This sophisticated antenna is now in operation to Central and South America and can adapt its beam to place strong signals in service areas despite changing broadcasting conditions.
- A general umbrella agreement with Israel and the United States was signed on June 18, 1987, which permitted the Voice of America and the Board for International Broadcasting (BIB) to establish a joint, 16 transmitter, shortwave radio relay installation. This new station will provide added signal penetration into the Soviet Union, Eastern Europe, South Asia, and Africa. BIB has been the lead agency for this project, and funding for the project is contained in BIB's budget. In FY 1988, VOA provided $16 million from prior-year balance for land use tax, lease, and security.
- Prototype facility and broadcast system designs for the new shortwave stations have been completed and translated into site-specific facility designs and multi-project equipment acquisitions.
- In September 1989, a contract was awarded to install four 2.5 MW engine generators in the Liberia power plant building. Refurbishment activities will be completed in FY 1991.

Budget Summary

A total of $124,657,000 in FY 1991 Budget Authority is being requested to continue VOA's technical upgrade and expansion program. These funds are requested to meet the following requirements:

- Morocco - $46,684,000 to continue work on the Morocco project, including the fabrication and installation of antennas and network control system, land rental, construction, and technical support.
- Thailand - $39,039,000 to continue facility construction, fabrication of antennas, procurement and installation of Satellite Interconnect System, construction, and technical support.
- Urgent Maintenance and Repair of Existing Facilities - $5,629,000 for urgent smaller-scale maintenance and repair projects for VOA's existing worldwide facilities.
- New European - $11,300,000 for broadcasting lease payments for four new high-powered transmitters from the Deutsche Bundespost (West German Federal Post and Telecommunications Ministry).
- Refurbishment Activities - $3,355,000 for completion of refurbishment of the Liberia power plant and for the engineering designs of Sri Lanka and Botswana facilities.

RADIO CONSTRUCTION

- Network Control Center - $150,000 to continue the development and support required to turn the pilot Network Control Center into an operational system.
- Direct Broadcast Satellite - $400,000 for initial studies and system development.
- TV Marti - $18,100,000 to continue programs and operations.

Each of these items is fully explained in the justifications that follow.

The appropriation of $124,657,000 requested for 1991 is critical to the continued progress of the streamlined modernization effort scheduled now.

A budget element recap and individual narrative justifications follow.

RADIO CONSTRUCTION

Summary of Direct Obligation Requirements

	1989 Actual	1990 Estimate	1991 1991 Estimate	Increase or Decrease (-)	NOA Request	Page Ref.
A. New Construction	$37,089,135	$ 59,503,877	$ 85,723,000	$26,219,123	$ 85,723,000	9
B. Major Improvements, Replacements and Repairs	29,443,281	26,022,999	20,834,000	-5,188,999	20,834,000	14
C. TV Marti	1,464,282	21,926,938	18,100,000	-3,826,938	18,100,000	26
Total, Direct Obligations	67,996,698	107,453,814	124,657,000	17,203,186	124,657,000	
Reconciliation to Appropriation:						
Reimbursements	--	-1,815,000	--	--	--	
Recovery of Prior Year Obligations	-9,087,339	--	--	--	--	
Available from Prior Years	-15,491,173	-21,581,814	--	--	--	
Available in Subsequent Years	21,581,814	--	--	--	--	
Enacted and estimated appropriations...	65,000,000	84,057,000	124,657,000	--	--	

RADIO CONSTRUCTION

A. New Construction (1989 Actual, $37,089,135; 1990 Estimate, $59,503,877; 1991 Estimate, $85,723,000).

	Direct Obligations				1991	
	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	NOA Request	Page Ref.
1. Morocco	$16,474,167	$30,732,729	$46,684,000	$15,951,271	$46,684,000	11
2. Thailand	20,425,760	27,813,314	39,039,000	11,225,686	39,039,000	12
3. Caribbean/Central America MW Stations	189,208	957,834	--	-957,834	--	13
Total	37,089,135	59,503,877	85,723,000	26,219,123	85,723,000	

RADIO CONSTRUCTION

New Construction

VOA must utilize a global network of relay facilities for reaching large listening audiences. An analysis of projected broadcast coverage demonstrates that the new stations in Morocco and Thailand are essential if VOA is to obtain coverage in the majority of Eastern Europe, U.S.S.R., and Central, South, and East Asia. The new station in Morocco is critical because it replaces an aging underpowered station and compensates for 1992 transmitter reductions in England as called for in VOA's agreement with the British Broadcasting Corporation. Without Morocco, VOA could not deliver an adequate signal into Eastern Europe. The new station in Thailand offers VOA primary broadcast coverage to more than 40% of the world's population. In addition, it provides depth in VOA's capability to broadcast from that region of the world. This depth in coverage enables VOA to cover critical audiences from more than one station in order to enhance reliability. To take maximum advantage of these locations and to be competitive with other international broadcasters, the VOA relay stations must be equipped with more powerful transmitters and controllable beam antennas.

Requested FY 1991 Budget Authority will fund the following new construction activities:

- Morocco--Continue land rental; fabrication and installation of antennas and network control subsystems; and engineering, installation, construction, and technical support for the subsystems and facility construction.

- Thailand--Continue facility construction; fabrication of antenna subsystem; procurement and installation of SIS; and engineering, installation, construction, and technical support for the subsystems and facility construction.

Additional details for each of the new construction projects follow:

RADIO CONSTRUCTION

1. Morocco

A new, 10-transmitter shortwave radio relay station near Tangier, Morocco will permit VOA to reach radio listeners in Eastern Europe, Western Soviet Union, West and Central Africa, the Middle East, and Southwest Asia. It will replace twelve underpowered transmitters and inefficient rhombic wire antennas. The Agency has secured 1,150 acres of land, and site development activities were completed in 1988. An Advanced Engineering and Technical Development contract for documenting station functional and performance requirements was awarded in 1985 and was completed in 1986. An Architectural/Engineering contract to prepare the facilities design was awarded in FY 1987 and was completed in May 1988.

In FY 1988, off-site utilities contracts for power, water, and telephone services were awarded. Also, in September 1988, the contract for the construction of the relay station facilities was awarded. The contract for manufacturing transmitters and other radio frequency (RF) systems was awarded in May 1988, and the option for the installation of the RF subsystem was awarded in November 1988. In FY 1989, the water and telephone contracts were completed. Also in FY 1989, the USIA Security Office provided $2,628,000 for the security items in the facility contract. In FY 1990, the power contract is scheduled for completion and the contracts for the Audio/Communication/Control Room (A/C/CR) and for the base option of the fabrication of the antenna subsystem are scheduled for award.

Requested FY 1991 funds will continue work on the Morocco project, including completion of facility, construction, fabrication and installation of antenna and network control subsystems, land rental payments, and engineering technical support. The project is expected to be completed in FY 1992.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/89	1989 Actual	1990 Estimate	1991 Estimate
Preliminary Site Work and Engineering Construction	$ 28,702,000	$28,702,000	$ --	$ --	$ --
Advanced Engineering and Technical Development	1,526,000	1,526,000	--	--	--
Architectural & Facilities Design (A/E)	3,036,000	3,036,000	--	--	--
Implementation (Construction) ...	191,995,825	99,366,351	16,474,167	30,732,729	46,684,000
TOTAL	225,259,825 1/	132,630,351	16,474,167	30,732,729 2/	46,684,000

1/ Excludes estimated security costs.

2/ Includes $1,315,000 of SIS recoveries and $500,000 estimated Value Added Tax (VAT) refunds from the Government of Morocco.

RADIO CONSTRUCTION

2. Thailand

A new Thailand shortwave relay station will allow VOA to communicate better with audiences residing in extremely large population centers of China, maritime provinces of the Soviet Union, and to Northeast, South, and Southwest Asia. During 1984, a 1,200 acre site at Udorn in northern Thailand was obtained, fenced, and secured. Plans call for the 7-transmitter Udorn shortwave facility to complement VOA's existing 1,000 kilowatt medium wave (AM) station in Bangkok. An Advanced Engineering and Technical Development contract provided system design, performance specifications, and propagation analyses in FY 1986. The first phase of site development, which cleared and adapted the site for the construction of facilities, buildings and antennas, was completed in January 1987.

An Architectural/Engineering (A/E) contract was awarded in FY 1987 to prepare design, drawings, and specifications documents; it was completed in FY 1988. A commercial power contract was negotiated and awarded in December 1988 with the Provincial Power Authority and is scheduled for completion in FY 1991. The contract option for the fabrication of the RF subsystem for Thailand was exercised in February 1989. The first increment of the multiyear contract for the construction of the relay station facilities at Thailand was awarded in December, 1989. The base contract option of the antenna subsystem is also scheduled for award in FY 1990.

Requested FY 1991 funds will continue facility construction, fabrication of antenna subsystem, procurement and installation of the Satellite Interconnect System, and engineering, installation, construction, and technical support for the subsystems and facility construction. The Thailand station is scheduled for completion in FY 1993.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/89	1989 Actual	1990 Estimate	1991 Estimate
Preliminary Site Work and Engineering Construction	$ 4,314,000	$4,314,000	$ --	$ --	$ --
Advanced Engineering and Technical Development	2,834,000	2,834,000	--	--	--
Architectural & Facilities Design (A/E)	4,471,000	4,471,000	--	--	--
Implementation (Construction) ...	125,864,117	20,668,377	20,425,760	27,813,314	39,039,000
TOTAL	137,483,117	32,287,377	20,425,760	27,813,314	39,039,000

RADIO CONSTRUCTION

3. Caribbean/Central America MW Stations

Although VOA depends primarily upon shortwave broadcasts throughout its network to reach listeners at great distances, medium wave stations, within their more limited range, often serve a large audience because medium wave radios are generally more widely used. Temporary broadcasting facilities were previously erected in Costa Rica, Belize, and Antigua to expedite the initiation of broadcasts.

The temporary Belize medium wave station is providing good coverage to audiences in Honduras, Guatemala and parts of Nicaragua, including Managua. During 1988, a contract for construction of the permanent relay station and the Satellite Interconnect System installation at Belize was awarded. The permanent facility construction is scheduled for completion in FY 1990.

In accord with the streamlined modernization plan, VOA has cancelled a planned station in Grenada, has stopped broadcasting from the temporary facility in Costa Rica in FY 1989, and plans to close the temporary facility in Antigua in FY 1990 in favor of leased time on a station in Montserrat.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/89	1989 Actual	1990 Estimate	1991 Estimate
Preliminary Site Work and Engineering Construction	$13,646,145	$13,646,145	$ --	$ --	$ --
Advanced Engineering and Technical Development	10,215,858	10,215,858	--	--	--
Architectural & Facilities Design (A/E)	1,530,000	1,530,000	--	--	--
Implementation (Construction) ...	3,531,095	2,573,261	189,208	957,834	--
TOTAL	28,923,098	27,965,264	189,208	957,834	--

RADIO CONSTRUCTION

B. Major Improvements, Replacements and Repairs (MIRR) (1989 Actual, $29,443,281; 1990 Estimate, $26,022,999; 1991 Estimate, $20,834,000).

	Major Improvements, Replacements and Repairs	Direct Obligations 1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)	1991 NOA Request	Page Ref.
1.	Continuing Maintenance and Repair Program	$6,109,061	$3,995,277	$5,629,000	$1,633,723	$5,629,000	15
2.	New European (Lease Payments for Transmitters)	7,343,110	9,780,000	11,300,000	1,520,000	11,300,000	16
3.	Liberia Power Plant Refurbishment	8,449,165	2,200,000	2,000,000	-200,000	2,000,000	17
4.	Worldwide Operations Center & Network Control	518,450	200,000	150,000	-50,000	150,000	18
5.	Direct Broadcast Satellite	--	300,000	400,000	100,000	400,000	19
6.	Sri Lanka Refurbishment	--	--	955,000	955,000	955,000	20
7.	Botswana Refurbishment	--	--	400,000	400,000	400,000	21
8.	Satellite Interconnect System	3,898,606	2,075,000	--	-2,075,000	--	22
9.	Operational Analysis/Systems Improvement	693,007	617,334	--	-617,334	--	23
10.	Bethany Transmitters Replacement	341,235	4,442,000	--	-4,442,000	--	24
11.	Montserrat	--	1,500,000	--	-1,500,000	--	25
12.	Antenna/Transmitter Replacements	142,348	500,000	--	-500,000	--	
13.	Sri Lanka	82,554	122,000	--	-122,000	--	
14.	Botswana	301,741	100,000	--	-100,000	--	
15.	Modernize Studios/Master Control	105,155	134,754	--	-134,754	--	
16.	VOA Automated Aids (VAX & SNAP)	1,458,849	56,634	--	-56,634	--	
	TOTAL	29,443,281	26,022,999	20,834,000	-5,188,999	20,834,000	

RADIO CONSTRUCTION

1. Continuing Maintenance and Repair Program (1989 Actual, $6,109,061; 1990 Estimate, $3,995,277; 1991 Estimate, $5,629,000).

VOA's continuing maintenance and repair program attends to the immediate needs of VOA's present broadcast production, transmission, and program administration. To safeguard the readiness of existing radio relay facilities, VOA has embarked upon an aggressive and essential preventive maintenance and repair effort. These urgent, but relatively smaller scale maintenance, repair, and capital improvement projects, are outside the scope of longer term major construction objectives.

Ongoing efforts to maintain VOA broadcast equipment and facilities must increase over the next five years if VOA is to continue broadcasting at current performance levels while planned construction continues. Such expenditures are necessary because as antiquated and obsolete broadcast equipment and support facilities further deteriorate with age, their reliability decreases, parts are scarce or unavailable, and maintenance costs rise. Since 1984, VOA has conducted major site technical evaluations and surveys as part of a preventive maintenance program; these have resulted in better definition of maintenance and repair project priorities.

The FY 1991 request of $5,629,000 represents far less than 1% of the replacement value of the capital plant. Failure to fund the maintenance and repair program adequately would cause further relay network degradation of already aged equipment and would thus increase mission failure, raise the costs of corrective action, and pose safety hazards.

RADIO CONSTRUCTION

2. New European

In April 1986, VOA reached a final agreement with the Deutsche Bundespost (West German Federal Post and Telecommunications Ministry) for use of four high-powered shortwave transmitters and associated antennas at its Wertachtal, Bavaria radio facility. This relay installation broadcasts VOA programming in about 16 languages to Eastern Europe, the Soviet Union, Northern Africa, the Middle East, and China. The first transmitter became operational in October 1987. A second unit began transmitting in April 1988. The third and fourth transmitters became operational in April 1989.

All four transmitters are now operational. Each transmitter at Wertachtal operates on an average of 15 hours per day for an approximate total of 60 daily VOA program hours. Operation of the Deutsche Bundespost (DBP) facilities has allowed antiquated shortwave transmitters at VOA's Munich Relay Station to be retired from service. (The exceptions are the 1197 mHz medium wave and the 3980 kHz transmitters that are outside the frequency range of the Wertachtal facility.) The initial period of this leasing agreement is three years, with 22 subsequent one-year renewal options. The West Germans required that the U.S. Government post a lease compliance bond as a means of protecting their Wertachtal investment. Early termination of the DBP agreement could result in a U.S. Government liability up to $20 million.

In addition to the Wertachtal service agreement, future program plans also include replacing outdated 300 kilowatt medium wave and the 3980 kHz shortwave transmitters at VOA's Munich Relay Station.

FY 1989 funding provided for full year operation of the first two transmitters and beginning in mid-year, operation of the third and fourth transmitters. The FY 1990 budget includes all four transmitters in operation for the full year. The requested FY 1991 budget authority of $11,300,000 will provide for lease payments for four shortwave transmitters, exchange rate fluctuations, nominal increases in hours of operation and tariff rate increases for operation of the facilities.

Cost Summary	Cumulative Obligations 9/30/89	1989 Actual	1990 Estimate	1991 Estimate
Deutsche Bundespost Operation and Maintenance Leasing	$31,610,967	$7,343,110	$9,780,000	$11,300,000
Medium/Shortwave Transmitter Upgrade ..	--	--	--	--
TOTAL	31,610,967	7,343,110	9,780,000	11,300,000

RADIO CONSTRUCTION

3. Liberia Power Plant Refurbishment

Because of the urgent need to resolve reliable generation capability at the Liberia Relay Station, a multi-discipline team of facility engineers from VOA and the U.S. Army Corps of Engineers visited the power plant and determined that the most expedient and cost-effective solution was to install new equipment in the existing building.

A contract was awarded to replace all four generators in September 1989 and is scheduled for completion in FY 1991.

Requested FY 1991 budget authority of $2,000,000 allows for the completion of the refurbishment efforts.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/89	1989 Actual	1990 Estimate	1991 Estimate
Liberia Power Plant Refurbishment	$12,649,165	$8,449,165	$8,449,165	$2,200,000	$2,000,000

RADIO CONSTRUCTION

4. Worldwide Operations Center and Network Control

Automation of network control and station operations is essential for modern VOA operations. Until recently, VOA was probably the only global telecommunications broadcast organization that lacked any centralized automated network command and control and had little automation, control, or monitoring at relay stations.

The Network Control Center (NCC) will ultimately consist of a centralized automated network management facility, called the Worldwide Operations Center (WOC), located at VOA Headquarters in Washington, DC; and a Local Operations Center (LOC) at each VOA relay station/site with microprocessor-based control and monitoring interfaces to various site subsystems/equipment.

A pilot NCC project was begun almost four years ago. In May 1985, the Bendix Field Engineering Corporation was awarded a contract to develop a system design for network control and automation. As part of this effort, a "pilot" NCC is being constructed to validate the system design, to refine operational concepts, and to provide experience with the electronics and facility implementation. The pilot consists of a pilot WOC at VOA Headquarters in Washington, DC and a pilot LOC at the Greenville Relay Station and will be completed in mid 1990. The pilot LOC at Greenville will permit automated operation at most key equipment at one of the two Greenville transmitting sites. The pilot WOC system requires some software enhancements and a number of communications interfaces between other parts of VOA, before it is fully operational, but it can be readily converted to operational status. Some software enhancements by in-house staff are already in progress, and initial operations capability will commence by mid 1990. The budget authority of $150,000 requested in 1991 will provide support for continued refinement of related NCC software and computer programs to continue the transition to a fully operational system. In outyears, funds will be used to develop electronic interfaces between the NCC and other facilities such as the Satellite Interconnect System.

Cost Summary	Total Requirements	Obligations 9/30/89	Cumulative 1989 Actual	1990 Estimate	1991 Estimate
Network Control System	$6,269,772	$5,719,772	$518,450	$200,000	$150,000

RADIO CONSTRUCTION

5. Direct Broadcast Satellite

When direct-to-listener radio broadcasting from satellites (DBS) at UHF frequencies is technically feasible, it will provide VOA with a high quality, reliable means of delivering programs to audiences around the world. This is a method for future use which is expected to be technically feasible within 10 years, with widespread applicability in developed countries five to ten years later. Widespread use in underdeveloped countries is expected to take longer due to the high cost of individual receivers. Various milestones need to be achieved, including the international allocation of UHF frequencies for direct radio broadcasting from satellites, before DBS-radio can become operational.

Considerable progress internationally and within the United States has been made during the past year. In particular, the International Telecommunications Union has scheduled a conference early in 1992 that will consider a UHF allocation for DBS-radio. VOA and other international broadcasters need to be prepared by 1992 to justify their expressed needs for a DBS-radio allocation. Through various organisations, such as the International Radio Consultative Committee, studies, tests, and demonstrations need to be documented. Key areas of work include propagation measurements, frequency sharing criteria proposals, radio receiver demonstrations, total system concepts, and financial, marketing, and organisational aspects.

VOA and NASA have developed a joint program to ensure that VOA's interests are represented well at the 1992 allocations conference. Success there will permit substantial increases in VOA coverage after 1992 when DBS-radio systems could be developed and become operational and available to international broadcasters.

The 1990 and 1991 estimates will provide funds for total system concept definition, UHF digital radio receiver design, and frequency sharing criteria analyses. The results of this work need to be available six months before the allocations conference in early 1992.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/89	1989 Actual	1990 Estimate	1991 Estimate
System Development	$3,150,000	$ --	$ --	$300,000	$400,000

RADIO CONSTRUCTION

6. Sri Lanka Refurbishment

The existing relay station in Colombo, Sri Lanka is severely underpowered and station equipment is quite antiquated. The station was built as a joint undertaking of the U.S. Government and the Government of Sri Lanka under an agreement signed May 1, 1951, and broadcasting began in June 1953. Facilities include three 35 kilowatt and one 10 kilowatt shortwave transmitters (one 35 kW transmitter is used by Radio Sri Lanka). This original equipment is very difficult to maintain. A more powerful station in Sri Lanka has been a long-standing VOA requirement. A new agreement negotiated with the Government of Sri Lanka in 1983 allows VOA to increase the power of transmitters to 500 kW. A recent analysis of VOA coverage has shown the importance of Sri Lanka as a broadcasting site to China, Southern and Eastern Africa, and South Asia. A VOA engineering team recently examined the site and presented findings that resulted in the replacement of the four underpowered transmitters with three new 500 kW transmitters and associated antennas. This represents the optimum satisfaction of refurbishment and coverage goals at minimum cost.

Requested FY 1991 Budget Authority allows for the engineering design efforts required for the refurbishment of the Sri Lanka relay station.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/89	1989 Actual	1990 Estimate	1991 Estimate
Engineering Design	$ 1,758,000	$ --	$ --	$ --	$955,000
Implementation/Construction	61,185,000	--	--	--	--
TOTAL	62,943,000	--	--	--	955,000

RADIO CONSTRUCTION

7. Botswana Refurbishment

The existing medium wave relay station in Botswana consists of one 50 kilowatt transmitter (621 kHz) operating with non-directional antenna. A 10-year agreement with the Government of Botswana (GOB) was signed on March 28, 1980. Construction began in December 1980, and the station went on the air on September 13, 1981. The primary target area is Botswana, Mozambique, Namibia, South Africa, and Zambia. However, the station provides a minimally competitive signal for only a portion of this important audience.

In late 1985, a bilateral agreement between the GOB and the U.S. Government was signed, which allows VOA to build shortwave and medium wave facilities. In accordance with this agreement, the existing facility in Selebi-Phikwe will be turned over to the GOB when the new facilities in Moepeng Hill become operational. Because of the expense of building a shortwave facility in Botswana, the VOA Engineering Planning Committee, in its March 1989 report, recommended filling some of the existing coverage gaps by refurbishing and more efficiently utilizing existing stations. Even though recent improvements in feed quality by satellite delivery have enhanced VOA's Botswana medium wave signal into South Africa, the low-powered 50 kW station is still not competitive in this media-rich target area. Because the existing station must be turned over to the GOB not later than March 1995, VOA must replace the existing station in Selebi-Phikwe by a new station with two 100 kW transmitters combined for a power of 200 kW and must add a new high gain antenna. These enhancements are the minimum necessary to adequately cover South Africa. The two 100 kW medium wave transmitters have already been purchased from Harris Corporation and are currently in storage.

Requested FY 1991 Budget Authority allows for the engineering design efforts required for the refurbishment of the Botswana relay station.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/89	1989 Actual	1990 Estimate	1991 Estimate
Engineering Design	$ 429,000	$ --	$ --	$ --	$400,000
Implementation/Construction	13,248,000	--	--	--	--
TOTAL	13,677,000	--	--	--	400,000

RADIO CONSTRUCTION

8. Satellite Interconnect System

The leased circuits currently used for communications with VOA relay stations are expensive, limited in performance, and are often unreliable. The Satellite Interconnect System (SIS) will place VOA-owned earth stations on VOA property at each relay station, which will provide direct links to the satellite. Only satellite channel space will have to be leased and recurring operating costs will be reduced as the SIS replaces the much higher-cost leased circuits. In addition, the elimination of numerous terrestrial links in third world countries will improve overall communication reliability and audio quality.

A five-year Satellite Interconnect System contract was awarded in FY 1986 to the Communication Satellite Corporation (COMSAT). In FY 1988, earth stations installed at VOA Washington headquarters and at the Greenville, N.C., and Delano, CA. stations became operational. In FY 1989, the Botswana station became operational. Also in FY 1989, the earth station originally planned for Antigua was rescheduled for Morocco, and three additional earth stations were placed on order for Liberia, Tinang, and Bethany. In FY 1990, installation support for the latter three Satellite Interconnect Systems will be completed.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/89	1989 Actual	1990 Estimate	1991 Estimate
Implementation	$10,153,777	$8,078,777	$3,898,606	$2,075,000	$ --

RADIO CONSTRUCTION

9. Operational Analysis/Systems Improvement (1989 Actual, $693,007; 1990 Estimate, $617,334; 1991 Estimate, $--).

Successful broadcasting requires the selection of radio frequencies in coordination with other external broadcasters and worldwide administrative organizations such as the International Telecommunications Union (ITU) and its important technical entities: the International Frequency Registration Board (IFRB) and the International Radio Consultative Committee (CCIR). To plan, select, and defend these frequencies properly, VOA must have accurate data concerning signal propagation and spectrum utilization, including current (actual) and projected technical and regulatory parameters affecting VOA's broadcast operations.

The 1990 estimate allows VOA to continue background studies of the changing radio broadcast spectrum and to plan effectively for participation in future ITU radio conferences which will establish broad allocations and procedures that must guide our operations. Without the necessary data and analyses, the Agency would not possess adequate quantitative support to defend its spectrum requirements before the international radio community. In particular, proposed funds are planned for HF (3-30 mHz) propagation and spectrum usage studies and for provision of analytic support in ITU Conference preparations.

10. Bethany Transmitters Replacement

To upgrade antiquated transmitters, VOA will replace three 45 year old Crosleys at the Bethany Relay Station, Mason, Ohio, with three previously purchased 250 kW Asia Brown Boveri (ABB) transmitters that were in storage. In FY 1989, the contract specifications and drawings were prepared and bid proposals were reviewed. The contract for installation and preparation for operation of the three ABB shortwave broadcasting transmitters is scheduled for award in the second quarter of FY 1990. Projected completion date is late 1991.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/89	1989 Actual	1990 Estimate	1991 Estimate
Implementation	$4,783,235	$341,235	$341,235	$4,442,000	$ --

RADIO CONSTRUCTION

11. Montserrat

VOA has a lease agreement with Radio Antilles in Montserrat (RAM) to broadcast medium wave signals into the Central America/Caribbean region. The relay station went off-the-air due to the damage caused by Hurricane Hugo. RAM needs equipment and facilities before it can get back "on air." VOA has begun negotiations with the new owners of RAM to lease additional broadcast time in exchange for VOA furnished broadcast equipment. This project provides a great opportunity for VOA to capitalize on access to a good frequency at enhanced power (200 kW). Enhanced broadcasting from a renovated RAM facility will enable VOA to close its Antigua station without losing effective broadcast coverage. In the renovated configuration, broadcasting from RAM will be at 200 kW on 930 kHz. In FY 1990, funds will be used to provide for the engineering design efforts, shipping, and installation of two 100kw transmitters and antenna towers that were previously purchased.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/89	1989 Actual	1990 Estimate	1991 Estimate
Implementation	$1,500,000	$ --	$ --	$1,500,000	$ --

Mr. **Smith**. Here to testify is Bruce Gelb, the Director of the Agency. Mr. Gelb, do you have a statement?

GENERAL STATEMENT

Mr. **Gelb**. Mr. Chairman, yes, I do. I know the time of this committee is——

Mr. **Smith**. We will put it in the record in full.

Mr. **Gelb**. If I may, I would like to do something I normally would not do, and that is to actually read the statement.

Members of the committee, we are here to deal with the appropriations request for the United States Information Agency, in my judgment one of the crucial agencies dealing with the foreign affairs situation in the future.

I would just like to let you know that I am accompanied here today by the people that make up, if you will, the first team of our Agency. There will perhaps be a moment when a question comes up when they may be in a better position to give you some specific answers. I would like to introduce them just in the order that they are sitting. Mike Pistor is the Counselor, a Senior Foreign Service Officer of the Agency. Henry Hockeimer is the Associate Director for our Management Bureau. Professor Bill Glade is Associate Director for Educational and Cultural Affairs. My deputy is Gene Kopp, who you probably know from another time; he served in that role here previously. Dick Carlson is our Associate Director for the Voice of America, and Acting Associate Director for our Programs Bureau is Mike Schneider.

It is probably a little out of the ordinary to refer to something that happened as recently as yesterday, but I was fortunate enough to be in the room when they had the joint sessions of Congress listening to Vaclav Havel. Interestingly enough, the day before, he came in a very low-key, informal basis over to the Voice of America to specifically meet with the Czech/Slovak language services group to say a few words. I would like to impose on you for a minute to read those words because I think they have a bearing on this whole budget process today. This is what he said:

"I would like to thank the Czech and Slovak broadcasting service of the Voice of America for its work. For many years it has been the most listened to radio station in Czechoslovakia. You have informed us truthfully of events around the world and in our country as well. In this way you helped to bring about the peaceful revolution that has at long last taken place. However, by this I do not intend to say that your work has now lost its meaning. On the contrary, it now has taken on a new meaning. You will have to inform us about how to create democracy because we are now beginning to build it, to renew it after many long decades. And we have a lot to learn."

RFE VS VOA BROADCASTS IN EASTERN EUROPE

Mr. **Smith**. I do not want to interrupt you before you start your statement, but Radio Free Europe and you are both involved——

Mr. **Gelb**. Correct.

Mr. **Smith**. How do you interface in Czechoslovakia?

Mr. Gelb. I would say, if you put it in terms that most of us are familiar with, you cannot have a one-man football team. You cannot have a one-man team that creates democracy and brings freedom into Eastern Europe. Part of the team that made that all possible was the surrogate radio stations of Radio Free Europe and the continual presence of the Voice of America, which, since 1942 has been telling this basically same story of what is going on in the world and what the policies of the United States are.

Mr. Smith. You both have broadcasts at the same time? Are they on the same subject matter? The same news?

Mr. Gelb. Well, basically, if you can think of the Radio Free Europe concept as, having your own favorite local broadcasting station that you listen to, whether it is for morning news or weather or what is going on in your town, city, or State; they did not have that in Czechoslovakia. They had only government-controlled broadcasting. And Radio Free Europe, identifying itself as a surrogate broadcasting station, gave the people of Czechoslovakia the feeling that they could turn on a station and hear what was really going on in Czechoslovakia.

Our role was a dual role, the same role it has been for a long time—to make sure that there is a standard that they can go to for truthfulness about the world at large, for world news, and at the same time in carefully identified moments, usually about a minute in length, to give a clear statement of U.S. policy. This is something that people in the world, if they are living in nonfree areas, otherwise receive through translation by the local government journalists. Very often their translation is 180 degrees the opposite.

So, we did our thing on a broader basis with policy. The surrogate stations gave them local information, telling them what is going on from the standpoint of a Czech talking to a Czech, both in the vernacular, the language that they understand.

I mentioned that we are all learning from the dramatic events in Eastern Europe. The likely transformation of the whole of Europe in the next decade and the revolutionary effect that these changes will have in the rest of the world bring into sharp focus the role of the United States Information Agency in American foreign policy. Our primary mission is more than ever an urgent one.

We are an Agency that most people in this country know nothing about. If they know anything, it is about the Voice of America. But the rest of our Agency's work, because it is done around the world and because by law we do not tell our story in the United States, people do not understand it. In my judgment, after a year here in Washington and after many years of observing it from the outside, I think it clearly is a special role and one of great importance for the American people.

We create and strengthen personal and institutional ties between the United States and other countries, thereby increasing mutual understanding and international stability. We explain U.S. policies and actions in ways that make sense to vastly differing foreign audiences. We present American society in all its complexities so that others can understand the context from which U.S. policies and actions arise.

The thawing of the Cold War reminds us that the Agency's place in international affairs remains much broader than just its role in

East-West relations, important as that role has been. As East-West differences diminish or change shape, other equally complex challenges to American international interests are coming to the fore. The USIA addresses these challenges today. Our programs include:

Assisting the growth of free media in Eastern Europe and elsewhere through exchanges and our Worldnet television programming;

Reconstructing and strengthening the intellectual foundations of democracy and the liberal society through academic exchanges, library development and building ties among universities and other cultural institutions;

A little later, I am going to come back to that point because some of the areas that we are involved in, things that have to do with intellectual affairs, universities, books, libraries, exchange programs, a lot of people put under the label of very soft programs. They are not tangible like an M-1 tank. You cannot put your hands around some of the benefits. Let me just go on.

Supporting the President's war on drugs is an important priority for our Agency, and we are doing it through our international narcotics information network, providing posts worldwide with a computerized database on narcotics issues;

Encouraging human rights in Latin America, Eastern Europe, Asia, and the Middle East by educational programs for judges and legal clerks;

Advising the President on foreign policy opinion through Agency media reporting, polling and analysis;

Easing misunderstandings over trade issues through exchanges with Japanese and European journalists;

Bringing the truths of free inquiry and communication to Eastern Europe and to closed societies like China and some African and Middle Eastern countries through academic exchanges, library programs, book publishing, VOA broadcasts and other information programs.

USIA's efforts are more important than ever as the world shifts from a bi-polar arrangement dominated by East-West military and ideological competition to a multi-polar world more concerned with economic, cultural, environmental and other non-military issues. In this new world the U.S. will have to work harder to maintain its leadership in the world community. Access to other societies and the ability to understand and interpret other cultures and other national goals will be at a premium.

USIA's tasks will be made more, not less, difficult by the technological revolution. The speed and ease of today's communications can lead to information overload rather than automatically to mutual understanding. There are more ideas competing; we have a lot to teach, but we have equally got a lot to learn.

Throughout Eastern and Central Europe, thanks in large part to the dedicated men and women of the United States Information Agency, and to the taxpayers, and I might add, if I can throw a little word of praise to this committee, to the people in this room, who clearly have supported this Agency, we are looking at something that a little while ago could have been considered a bit of a dream: the peace and freedom that we have been searching for for 40 years in Eastern Europe.

Year by year, we have been making inroads against great odds, and now we have a genuine revolution that has overwhelmed the Communist world in just this last year. They are not finished. The Communist ideology is still around. It has got different descriptive names. But what has happened in the last year and into this year has been a minor miracle. Freedom is clearly coming and with it the peace that we have been seeking for so long.

We see examples of this drive for freedom all around us. I found one of them to be particularly significant, and with your permission I would like to share it.

Last week, as we were preparing for this meeting, one of my colleagues reported that on a recent trip to Europe he was told by an Amerika Haus librarian—Amerika Haus is the name of the library that we have in West Berlin—that just after the Berlin Wall was breached in December, five American books were returned to the library by East Germans who had checked them out in 1961, just before the Wall went up. These are the books that I am talking about. This one, interestingly enough, is called From Slavery to Freedom. It happens to be written by a distinguished black historian, John Hope Franklin.

All across the world the USIA builds and sustains our international relations beyond formal diplomacy. In a world of shifting and uncertain relationships, the challenge of understanding and communicating increases in intensity and importance. The more we move beyond traditional negotiations and government-to-government dispatches, the more imperative the Agency's mission becomes.

If you have any questions about the difference between traditional diplomacy and what we are involved in, which is public diplomacy, let me ask you just to turn your mind back to certain months toward the end of last year, where in Wenceslaus Square you saw 200,000 people peacefully protesting, and in Leipzig, East Germany, 300,000, and in June, very sad in terms of result, but very powerful in terms of impact, protests of 500,000 Chinese seeking freedom.

Now let us look at the numbers that affect this mission.

The Agency's 1991 request totals approximately $987 million, an increase of about $60 million over the $927 million appropriation anticipated for 1990.

I wish I could tell you that this increase was going to produce greatly expanded programs and the flexibility to meet the new opportunities I mentioned earlier.

Of the $60 million increase in this year's appropriation request, something more than $51 million, over 80 percent, will be used for continuing modernization of VOA's broadcast facilities, providing for television and radio broadcasts to Cuba, and for increases in the National Endowment for Democracy and the Office of the Inspector General.

The USIA, like virtually every other agency of government, is between the proverbial rock and a hard place as we struggle to deal with sharply increased costs of continuing to do what works—between a desire to seize some of the new opportunities and the realities of the budget deficit.

To assist in the deficit reduction effort, we are absorbing within our numbers this year about $29 million to cover the increased costs resulting from inflation in the United States and abroad and about $10 million as our share of the new Federal pay raises for fiscal year 1991. Fortunately, we will get some help with this as a result of a decision to have the Department of State fund selected administrative support costs charged to us in the 1990 appropriation.

In addition, as you know, we are now accommodating a $6 million component of the President's Eastern European Initiative for Poland and Hungary and are planning to do more in that area. We recommend that $7 million be set aside toward the eventual $15 million cost of U.S. participation in the Columbus Quincentennial Expositions in 1992 in Spain and Italy. And I know we will be getting back to that in this hearing. I want to say as I make that statement that I consider this an investment in the future economic well-being of this country, where in the next 20 years we are going to fight the economic battle of our life.

The need to accommodate these important activities means that business cannot be as usual in other parts of the Agency either.

Only a little bit more than $8 million will be available in 1991 to meet the nearly $19 million that would be required to maintain the operating programs funded within our salaries and expenses account. That means we will have to reallocate up to $11 million within our budget base. The exact nature of these reallocations has not been finally determined, and it is not going to be easy.

One action, however, that we are not going to take, and I know it has received a great deal of attention in the press in the last few weeks, is the elimination of six language services of the Voice of America. We are not going to eliminate those language services.

I believe that such reductions are unacceptable. There is nobody in the USIA or the Voice of America who wants to see those language services go.

We are trying to deal with the realities of a tough budget. We are now working on a proposal to transfer a small amount of funds from the radio construction appropriation to keep VOA's language services at their current number.

All of this is worrisome to me because it represents the continuation of a process begun 5 years ago that threatens to turn what could and should be a period of opportunities seized into a period of opportunities lost.

During the period 1986 to 1991, we will have eliminated nearly 800 positions at the USIA; VOA broadcast hours will have been reduced by 207 hours a week, or 17 percent; and we will sponsor approximately 440 fewer academic exchange and international visitor grants.

In the business of building relationships, the USIA needs constancy. We need to maintain the USIA educational and cultural investment in important areas around the world.

The USIA is challenged to respond to the unparalleled opportunities in Eastern Europe without jeopardizing support for our programs in other vital areas such as Western Europe, Central America, Japan, Korea, the Philippines, Southern Africa, India and Pakistan.

I mentioned a little bit earlier when I touched on educational and cultural exchanges that they are often referred to as soft programs. I say that they are no softer than the will and temperament of that playwright sitting in a Czech prison, that same Vaclav Havel with whose words I started this presentation. My view is that when a playwright can reach the hearts of his countrymen and the impact can bring people to the streets and freedom comes to a country that has been virtually enslaved intellectually and in every other way for nearly 50 years, the things that we do of an intellectual sort, of a cultural sort, are not soft.

I realize the difficult work that is before the members of this subcommittee, and I understand that you must juggle many conflicting priorities from virtually every part of this government. There is no one who comes here who does not say, I need every penny, without it the ship goes down. I know that. But I ask you to look at the front pages of your newspapers and what is on television and relate that to the business of the United States Information Agency.

I ask you to think with me for a moment of the needs of Eastern Europe and other parts of the world where new democracies are just now in the formative stages. The future is indeed full of promise and risk, and the stakes are very high. But as one of your Senate colleagues said recently, "If the new democracies and free market economies fail, the long-term cost to America and the cause of freedom will be enormous. But if they succeed, it will mean that the United States will enjoy increased security, reduced defense budgets and armament levels and expanded markets for our exports and our ingenuity. Simply put, there is no better investment we can make in America in 1990 than finding ways to support the new democracies." Gentlemen, the USIA is such a way.

Thank you for letting me have the time to make those statements. My colleagues and I will try to answer your questions.

Mr. Smith. Without objection, your statement will be inserted.

[The prepared statement of Mr. Gelb follows:]

CONGRESSIONAL STATEMENT

Bruce S. Gelb

Director

U. S. Information Agency

February 22, 1990

C. TV Marti (1989 Actual, $1,464,282; 1990 Estimate, $21,926,938; 1991 Estimate, $18,100,000).

In the 1989 Appropriations Act (P.L. 100-459), Congress provided $7,500,000 in the VOA Radio Construction account for the purchase, rent, construction, improvement, and equipping of facilities for and startup operations, including a test of television broadcasting to Cuba. In conducting the startup operations, the Agency was directed to use a tethered aerostat operated and located at Cudjoe Key Air Force Base in the Florida Keys. To oversee this effort, an interagency task force was created. The task force is chaired by VOA's Deputy Director and composed of representatives of the State Department, National Security Council, Federal Communications Commission, Defense Department, and other agencies. Among the responsibilities of the task force are the selection of a TV Marti frequency and investigation into the possible use of an airplane as an alternate or back-up transmission method when the aerostat must be taken down because of severe weather, maintenance, or other reasons. The test and startup operations will not be completed until the spring of 1990. At that time, the interagency task force will submit a comprehensive report to the Congress on the results of the test and startup operations. In FY 1991, programs and operations will continue.

The major objective of the Television Marti Service is to provide open communication of information and ideas through the use of television to Cuba. Television broadcasting to Cuba will serve as a consistently reliable and authoritative source of accurate, objective and comprehensive news, commentary, and other information about events in Cuba and elsewhere to promote the cause of freedom in Cuba. In addition, the television broadcasts will present information that represents America, not any single segment of American society, but a balanced and comprehensive projection of significant American thought and institutions.

The Television Marti Service is currently engaged in startup operations including the testing phase. Upon completion of the tests and determination by the President that television broadcasting to Cuba is feasible and would not cause objectionable interference with the broadcasts of incumbent domestic licensees, regular daily television broadcasts will begin.

Television Marti broadcasts will originate from a Washington, D.C. facility including studios, news rooms, programming production and acquisition, technical services, and satellite receive and transmit capabilities constructed, equipped and operated by the Television Marti Service. The Service will require a staff of 159 positions assigned to administrative, production, news and technical operations departments. Daily television programming in 1990 will consist of three hours of news, information, documentary, discussion, and entertainment programs acquired or produced in the Spanish language by the staff of Television Marti.

The increase of $2,209,000 in 1991 is requested to provide $4,442,091 for full-year cost of staff hired in 1990 and program activity costs begun in 1990 and built-in increases of $462,833, partially offset by non-recurring costs of $2,695,924 for equipment purchased in 1990.

A summary of requirements for television broadcasting of six hours daily to Cuba follows:

RADIO CONSTRUCTION

Summary of Requirements for TV Marti Program

	1989 Actual	1990 Estimate	1991 Estimate	Increase or Decrease (-)
POSITIONS:				
Domestic............................	3	159	159	--
FUNDS:				
A. Domestic Employee Compensation and Benefits.....................	$123,185	$2,971,000	$7,875,000	$4,904,000
B. Systems Design, Testing and Equipment Acquisition:				
Aerostat-Based Transmission Sys..	426,000	1,674,000	--	-1,674,000
Frequency Acquisition............	120,000	120,000	--	-120,000
Support Costs....................	795,097	3,124,718	--	-3,124,718
Sub-total.....................	1,341,097	4,918,718	--	-4,918,718
C. Program Operations:				
Satellite Transmissions..........	--	872,000	1,754,000	882,000
Program Production...............	--	2,500,000	5,274,000	2,774,000
Equipment and Maintenance........	--	9,928,000	1,659,000	-8,269,000
Administrative Support...........	--	737,000	1,538,000	801,000
Sub-total.....................	--	14,037,000	10,225,000	-3,812,000
Total, Direct Obligations.....	1,464,282	21,926,718	18,100,000	-3,826,718
Reconciliation to Appropriation:				
Available from Prior Years......	--	-6,035,718	--	6,035,718
Available in Subsequent Years...	6,035,718	--	--	--
Enacted and/or Estimated Appropriations.................	7,500,000	15,891,000	18,100,000	2,209,000

RADIO CONSTRUCTION

Domestic Employee Compensation and Benefits - $7,875,000 is the amount required to maintain a staffing level of 159 positions that were filled in Fiscal Year 1990 consisting of administrative, production, news and technical operations personnel.

Satellite Transmissions - $1,754,000 is the estimated cost for satellite circuits for transmission feeds from Washington, D.C. to Cudjoe Key Air Force Base in Florida as well as the cost of transmission feeds from news sources to Washington, D.C.

Program Production - $5,274,000 is the estimated cost of producing programs consisting of comprehensive news, commentary, and other information about events in Cuba and elsewhere in the world.

Equipment and Maintenance - $1,659,000 is needed to maintain and repair production and transmission equipment.

Administrative Support - $1,538,000 is required for rental of studio and office space, travel, security, and other general operating expenses.

Mr. Chairman, and Members of the Subcommittee:

I am pleased to be here today to present the appropriation request for the United States Information Agency for Fiscal Year 1991. I am accompanied by:

Eugene P. Kopp, Deputy Director
Michael Pistor, Counselor
Richard Carlson, Associate Director for the Voice of America
Henry E. Hockeimer, Associate Director for Management
William P. Glade, Associate Director for Educational and Cultural Affairs
Martha Johnston, Director, Office of Congressional Liaison
Stanley M. Silverman, Comptroller

Dramatic events in Eastern Europe, the likely transformation of the whole of Europe in the next decade and the revolutionary effect these changes will have in the rest of the world, bring into sharp focus the role of USIA in American foreign policy. Our primary mission is more than ever an urgent one:

-- to create and strengthen personal and institutional ties between the U.S. and other countries, thereby increasing mutual understanding and international stability;

- -- to explain U.S. policies and actions in ways that make sense to vastly differing foreign audiences.

- -- to present American society in all its complexity so that others can understand the context from which U.S. policies and actions arise.

The thawing of the Cold War reminds us that the Agency's place in international affairs remains much broader than its role in East-West relations, important as that role has been. As East-West differences diminish or change shape, other equally complex challenges to American international interests are coming to the fore. USIA addresses these challenges today. Our programs include:

- -- assisting the growth of free media in Eastern Europe and elsewhere through exchanges and Worldnet programming;

- -- reconstructing and strengthening the intellectual foundations of democracy and the liberal society through academic exchanges, library development, and building ties among universities and other cultural institutions;

- -- supporting the President's war on drugs through USIA's International Narcotics Information Network, providing posts worldwide with a computerized database on narcotics issues;

- -- encouraging human rights in Latin America, Eastern Europe, Asia and the Middle East by educational programs for judges and legal clerks;

- -- advising the President on foreign public opinion through Agency media reporting, polling and analysis;

- -- easing misunderstandings over trade issues through exchanges with Japanese and European journalists;

- -- bringing the truths of free inquiry and communication to Eastern Europe and to closed societies like China and some African and Middle Eastern countries through academic exchanges, libraries and book publishing, VOA broadcasts and other information programs.

USIA's efforts are more important than ever as the world shifts from a bi-polar arrangement dominated by East-West military and ideological competition to a multi-polar world more concerned with economic, cultural, environmental and other non-military issues. In this new world, the U.S. will have to work harder to maintain its leadership in the world community. Access to other societies and the ability to understand and interpret other cultures and other national goals will be at a premium.

USIA's tasks will be made more, not less, difficult by the technological revolution. The speed and ease of today's communications can lead to information overload rather than mutual understanding. There are more ideas competing; we have a lot to teach and also a lot to learn.

Throughout Eastern and Central Europe, thanks in large part to the dedicated men and women of USIA -- and the taxpayers and legislators who support them -- Peace with Freedom is not just a dream. Year by year, step by step, over more than 40 years, inroads have been made against great odds leading, ultimately, to the genuine revolution that has overwhelmed the Communist world this year and last. Freedom is clearly coming, and with it the peace we've all been seeking for so long.

We see examples of this all around us. I found one of them to be particularly significant, and with your permission I'd like the share it:

Last week, as we were preparing for this meeting, one of my colleagues reported that on a recent trip to Europe he was told by an Amerika Haus librarian in West Berlin that just after the Berlin Wall was breached in December five American books were returned to the library by East Germans who had checked them out -- in 1961 -- just before the Wall went up. One of these books was MUSIC AMERICANS SING and another was FROM SLAVERY TO FREEDOM, by the distinguished black historian John Hope Franklin.

All across the world, USIA builds and sustains our international relations beyond formal diplomacy. In a world of shifting and uncertain relationships, the challenge of understanding and communicating increases in intensity and importance. The more we move beyond traditional negotiations and government-to-government dispatches, the more imperative the Agency's mission becomes.

Now let's look at the numbers that affect this mission:

The Agency's 1991 request totals approximately $987 million, an increase of about $60 million over the $927 million [$926.9] appropriation anticipated for 1990.

I wish I could tell you that this increase was going to produce greatly expanded programs and the flexibility to meet the new opportunities I mentioned earlier.

Of the $60 million increase in this year's appropriation request, something more than $51 million [$51.4, or 85%], will be used for continuing modernization of VOA's broadcast facilities, providing for television and radio broadcasts to Cuba, and for increases in the National Endowment for Democracy and the Office of the Inspector General.

The USIA, like virtually every other agency of government, is between the proverbial rock and a hard place as we struggle to deal with sharply increased costs of continuing to do what we are currently doing, the desire to seize some of the new openings, and the realities of the budget deficit.

To assist in the deficit reduction effort, we are absorbing within our numbers this year about $29 million [$29.1] to cover the increased costs resulting from inflation in the United States and abroad and about $10 million [$9.9] as our share of the new Federal pay raises for FY 1991. Fortunately, we will get some help with this as a result of a decision to have the Department of State fund selected administrative support costs charged to us in the 1990 appropriation.

In addition, as you know, we are now accommodating a $6 million component of the President's Eastern European Initiative for Poland and Hungary and are planning to do more in the area. We recommend that $7 million be set aside toward the eventual $15 million cost of U.S. participation in the Columbus Quincentennial Expositions in 1992 in Spain and Italy.

The need to accommodate these important activities means that business cannot be "as usual" in other parts of the Agency either.

Only a little bit more than $8 million [$8.4] will be available to meet the nearly $19 million [$18.7] that would be required to maintain the operating programs funded within our Salaries and Expenses account. That means we will have to reallocate up to $11 million within our budget base. The exact nature of these reallocations has not been finally determined.

One action, however, we are not going to take is elimination of six language services of the VOA. I believe that such reductions are unacceptable. We are now working on a proposal to transfer funds from the Radio Construction appropriation to keep VOA's language services at their current number.

All of this is worrisome to me because it represents the continuation of a process begun five years ago that threatens to turn what could and should be a period of opportunities seized and achievements made into a period of opportunities lost and achievement missed.

During the period 1986 to 1991, we will have eliminated nearly 800 positions; VOA broadcast hours will have been reduced by 207 hours a week, or 17 percent; and we will sponsor approximately 440 fewer academic exchange and international visitor grants.

In the business of building relationships, USIA needs constancy. We need to maintain the U.S. educational and cultural investment in important areas around the world.

USIA is challenged to respond to the unparalleled opportunities in Eastern Europe without jeopardizing support for our programs in other vital areas such as Western Europe, Central America, Japan, Korea, the Philippines, Southern Africa, India and Pakistan.

Let me digress for a moment -- academic exchange and international visitor grants have often been thought of as "soft" programming. I say that it is as soft as the will and temperament of a playwright sitting in a Czech prison, a playwright named Vaclav Havel, who spoke to you yesterday as the President of his nation.

I realize the difficult work that is before the members of this subcommittee -- and I understand that you must juggle many conflicting priorities from many parts of our government. But I ask you to think with me for a moment of the needs of Eastern Europe and other parts of the world where new democracies are just now in the formative stages.

The future is indeed full of promise and risk, and the stakes are very high, but as one of your Senate colleagues said recently, "If the new democracies and free market economies fail, the long-term cost to America and the cause of freedom will be enormous. But if they succeed, it will mean that the

United States will enjoy increased security, reduced defense budgets and armament levels and expanded markets for our exports and our ingenuity. Simply put, there is no better investment we can make in America in 1990 than finding ways to support the new democracies." Gentlemen, the USIA is such a way.

Thank you very much. Now my colleagues and I will try to answer any questions you may have.

IMPACT OF SECTION 614 FREEZE

Mr. **Smith**. You are under a freeze as a result of section 614 of our 1990 bill. What has the impact of that been on your Agency?

Mr. **Gelb**. Well, we obviously are hoping that that freeze will be lifted. We hope that 614 will be repealed. If we indeed have to live with $882 million this year instead of the $926 million that we project, it is going to mean virtually stopping all disposable or nonhardened expenditures to the point of saying that whatever we can stop in VOA construction will have to be stopped, whatever programs that we have got will have to be stopped, until we reach that $882 million level.

Mr. **Smith**. Are you applying it equally or——

Mr. **Gelb**. We are trying to apply it in what will be the least painful way. The one thing obviously that we cannot do, contrary to what can be done in business—we have a large work force of people all of whom are working hard, all of whom make up a major portion of our expenditures. We have no flexibility in that area, so we have to look at what can be turned off. We have no option if we are told to live at $882 million. But our hope, Mr. Chairman, is that somehow that will be repealed.

Mr. **Smith**. Well, I have introduced a bill to lift the freeze. But it is being held up because the OMB, in negotiations of some kind with some of the leaders of the Budget Committee, has decided that the only way that you can lift the freeze is to take offsets out of the funding for disaster programs. Well, that is not practical.

When the Congress approved funding for the disaster programs, we should have lifted the requirement that they be under Gramm-Rudman ceilings. But they—including people on the Budget Committee—opposed that; they said, "we will take it out of other accounts". This subcommittee had stayed within our ceilings. We even left room within our ceilings to lift the Section 614 restrictions. Now they tell us: "well, we used up that room that you left when we funded the disaster program".

It is not right, but we cannot bring up a bill to repeal the restriction until we get some kind of an agreement. I do not see any need for us to fight both the Budget Committee and OMB on that matter. I hope that we can do something about it, but I do not know just when it is going to happen. I am willing to bring it up by unanimous consent anytime.

Mr. **Gelb**. Mr. Chairman, I have been down here in Washington for just a little over one year, and I have worked hard, struggled, put myself into a learning mode to understand how this budget process works. It is a little complicated, but I know that this committee, if any committee in Washington can, will find some way at least to provide some road map so that we can get to the business at hand.

Mr. **Smith**. We tried to, but what Gramm-Rudman has done in many respects is just make it more complicated, make it more difficult to do what needs to be done. And I think, myself, the bottom line is it has increased the deficit instead of reducing it.

OMB REQUEST

What was your total budget request to OMB?

Mr. **Gelb**. In 1991 we submitted a request of $1,076,000,000.

Mr. SMITH. What was eliminated then by OMB?

Mr. GELB. Well, they dropped the total amount down to, I believe, $986 million. The cuts were made primarily in our salaries and expenses, radio construction, and exchange programs accounts. Some of the things affected—some of the programs that we wanted to enhance—were in education and cultural areas, but we were not able to do that. As you notice, in our budget we have the exact same dollar figure for educational and cultural exchange programs that we had this year.

Mr. SMITH. What did OMB do, put a ceiling on you?

Mr. GELB. No. They came back and gave us numbers that they felt would be appropriate. In their terms they have to look at the overall view of all budgets. When we got those numbers, they were in some cases not exactly what we would have done. But those are the marching orders. Under those marching orders, the $986 million, we have in effect formulated our budgeting plans.

Some of the big chunks that were cut, our television service was dropped from last year's number of $36 million down to $31 million. We have had cuts in proven programs. For example, we have had to really slice hard into our exhibits programs. That has been an effective program all over Eastern Europe. But things of that sort have been cut.

We have, however, been left with a construction budget in the VOA of $107,000,000.

If we could only get to the point of saying we indeed have a $986,000,000 budget through careful planning, through handling of every dollar as if it were our own dollar and not something appropriated but something that came out of our pocket, we could have a balanced program. It is still not as much as I would like to see, in the light of what happened last year. We hope that through supplemental appropriations that are being considered both by the Congress and by the Administration, that the Agency's total funds will be enhanced.

REPROGRAMMING OF 1991 CONSTRUCTION REQUEST

Mr. SMITH. Is there room in that $986,000,000, do you see room within that amount for reprogrammings later?

Mr. GELB. For reprogramming?

Mr. SMITH. Yes.

Mr. GELB. I do. I see room for reprogramming approximately $13 million. We are looking at the details of how this should be done to have the least amount shifted. But it has to do with the very specific issue which has been given a lot of public attention.

I mentioned in my remarks and I——

Mr. SMITH. Where is this $13 million surplus?

Mr. GELB. Thirteen million is in the Voice construction account. And what I am proposing is to take that $107 million budget for construction and reduce it by $13 million. This is the amount that is required to equal the $5 million cost of the language services and other costs in 1991 due to the lower cash payment rate in Radio construction.

Mr. SMITH. Are you saying $107 million then is surplus there?

Mr. GELB. The $107 million?

Mr. SMITH. Yes.

Mr. GELB. Not at all, no. We do have——

Mr. SMITH. You have got to plan reprogramming, as I understand it.

Mr. GELB. When we set our construction budget, and I have had conversations with the Voice of America, and they have looked at the details, the nuts and bolts, the actual antenna, transmitters, all of the things that we have to do. They have come up with this amount, which is required to implement everything in Morocco and Thailand and Liberia and all the other places where we are trying to refurbish and to build our basic facilities. They have a plan that will give them the most optimal construction flow.

My view is—and this is one that takes judgment, there is not a machine that leads you to this—my judgment was that if you do not clearly understand that having all of the radio languages is crucial, then you do not believe that the Voice of America is an important part of foreign policy, which I do. I believe that explicating the policy is damned near as important as making the policy. If there is nobody in the forest to hear the tree go down, there is a question as to whether there is any noise. I believe that you have to have a balance of facilities and language broadcasts.

We have done extremely well with exactly what we have now, with our Voice of America facilities. Those facilities, however, are starting to show the wear and tear that 40 years will create. In some cases we are still operating with 40-year-old transmission and antenna equipment. By cutting that $13 million, in my judgment, I believe that we can continue the construction of new facilities in Thailand and Morocco, without serious delays, and maintain all 43 existing language services without hurting the real goals of the Voice of America materially.

It might, for example, delay another transmitter-antenna combination reaching more clearly an area that we are not reaching as clearly as we would like. It might mean reaching a new area for the first time which we are not reaching right now.

But I think that both the Voice languages and the Voice construction going hand in hand is better than rigidly saying, this is what we thought of 8 months ago or a year ago; and whatever it was then, we are going to keep on doing it. I think cutting it back $13 million and retaining the 43 language services is important. And that is what we are recommending now.

We are recommending the diminution of that $107 million.

Mr. SMITH. So the new transmitters then and the new equipment are a lower priority in your budget than other things?

Mr. GELB. No, I think the way to phrase it, at least the way I would phrase it, Mr. Chairman, is that each program activity has to be given a great deal of hard evaluation. It is very difficult to say that the exhibit that is travelling through the Soviet Union has a weight of 47 and the construction has a weight of 87, because you are not comparing apples to apples. It is very tough to say that a higher priority is given for language broadcasts than——

Mr. SMITH. You are saying that if you got the budget as presented, you would reprogram——

Mr. GELB. Yes, within the Voice of America, I think it is equally important to maintain our language services at the 43 level and to have a modest reduction—and very frankly, I have asked some questions about how we can work with contractors to see if we can do it without having a reduction.

VOA SERBO-CROATIAN BROADCASTS

Mr. SMITH. I have been told that in Yugoslavia, for example, your language services, your broadcasts are almost entirely in Serbian.

Mr. GELB. I am sorry? You went from construction to Serbian language?

Mr. SMITH. Yes. Your broadcasts in Yugoslavia—I have used that example because I am sure there are other countries——

Mr. GELB. OK.

Mr. SMITH. In other words, I have heard that you do not have enough services in both Serbian and Croatian. Is that so or not?

Mr. GELB. Well, my short answer is, we are doing an excellent job in Yugoslavia.

Mr. SMITH. Well, let me finish it this way.

Mr. GELB. OK.

Mr. SMITH. And I want your response. I have been told that as a result of having Serb language broadcasts much more often or much more heavily than the Croatian, it leaves the impression in the country that the United States is anti-Croatian and pro-Serbian. Do you get my point?

Mr. GELB. I get your point, and I would like to respond when you would like me to.

Mr. SMITH. I am asking first, is it so? Is that happening in other countries, too?

Mr. GELB. The short answer is, in my opinion, after a great deal of time expended on the subject of Serbo-Croatian programming—and when I say a great deal of time, I mean meeting with Croats, meeting with people in our Voice of America, reading the material. As recently as this past month one of our Voice of America experts was in Yugoslavia talking to Croatians. In Yugoslavia the clear impression that I have been given is that our programs are respected, that they are getting their point across.

There is a great deal of nationalist feeling on the part of Croatians in this country. They feel very strongly about their nationality, and they are very active in terms of wanting to have a separate language service for Croatian. The policy of this government, however, is that—and it has been for a long time through administrations on both sides of the aisle—it has been to have Serbo-Croatian, one language service.

I personally asked for an analysis to be made of the amount of programming where the voice was a Croatian sound because the language basically is understandable by either group—there is no such thing as Serbo-Croatian, but the language that is understood by both Serbian people and Croatians is the language that can be spoken by a Croat or by a Serb. The report that I got from our VOA after analyzing one full month on a daily basis—and that information is available, Mr. Chairman, I would be happy to share it with this committee—was that we have the proper balance to reach Yugoslavia with the clear sound of a little bit of Croatian and a little bit of Serbian in about the proportion that the Croats are to the total population in Yugoslavia.

As a specific, does this mean therefore that we are not doing enough somewhere else? I would have to say that, I think I made it very clear, that in order to meet budget demands over the last 5 years, we have cut back over 160 hours of broadcasting throughout the Voice of America's language services. We are never happy to cut that back. There is no magic machine that tells you that 3 hours is right and 2 hours and 45 minutes is wrong. You have to do it on the basis of judgment. And that is what I think the Voice of America has in very large measure. I might also add that I wanted to get a closer look at VOA management. And a month or two ago, maybe 3 months ago, working with Associate Director Carlson, a study was made of VOA senior management by perhaps the United States' leading industrial psychologist. That report is available now. It just came out in the last few days, and reports that VOA has one of the strongest teams in our Agency. The way I read it, that could apply to any part of government.

Mr. SMITH. What I am leading up to here is, as I see the situation, everybody is euphoric and everything is great—there is now freedom in Eastern Europe. However, the problems are just starting. We have boundaries for some countries, and this is true in Africa, too, that were drawn largely through treaties or agreements. The people sitting at the table drawing the boundaries usually were not people from within the country. Within many of these so-called countries that we have on our maps, you have people of wholly different ethnic backgrounds, different religious backgrounds. In many cases—this is just as true in Africa as it is in Europe—you have got people who have been enemies all their life and for centuries back. It has been bred into them that their nextdoor neighbors are their enemies.

We say, "They have their rights and now they have their freedom. They can select whomever they want for their government." Well, it does not work that way. I mean, we are a melting pot here in the United States. We have all these different religions and colors and ethnic backgrounds that get together. But we came here and founded this country different than they did. They have been there for thousands of years, some of them.

The same thing is true in South Africa. There are so many different ethnic groups in South Africa that will never be satisfied to live under any—no matter what other one it is—they will not be satisfied to live under it and let them be the government, be the majority. These people do not fully understand minority rights; that is what I am really getting to, I guess.

So their problems have just started. But in the Voice of America if you do not recognize these things, I do not know how many different languages you are going to have, how many different dialects there are, how you are ever going to have enough different dialects so that you can do your job without the people in those countries thinking that you are preferring their life-long and ages-long enemy over them.

Mr. GELB. I would like to take a short crack at answering that.

Mr. SMITH. Yes.

Mr. Gelb. The answer is, you are dead right. In the continent of Africa there must be a minimum of 200 to 500 different dialects. One tribe living perhaps as little as 4 miles from another cannot communicate with that tribe. And the degree of hostility between groups within Africa, which I learned firsthand some 30 years ago on my first trip there, which I was, very frankly, not aware of, is every bit as much the same kind of hostility that you know exists in Eastern Europe.

But I am more of an optimist, Mr. Chairman, because yesterday when Vaclav Havel was standing before the two Houses of Congress, he represented an example of two groups who have never had an easy relationship.

Mr. Smith. And he almost did not use the word Czechoslovakia at all; it was always the Czechs and the Slovaks.

Mr. Gelb. Correct.

Mr. Smith. Two different ones, two countries he was talking about.

Mr. Gelb. And it represents cultural understanding on the part of an intellectual who knows his country and loves it and recognizes that the Slovak people want to be a part of a confederation known as Czechoslovakia. They do not want to——

Mr. Smith. I am not so sure of that. I think maybe what he was saying is, we have two countries here.

Mr. Gelb. I was in Bratislava, Slovakia, just approximately a month ago, and I can tell you, speaking to the Prime Minister of Slovakia, to people who represented the freedom movement, the committee against violence, who are the, in effect, Freedom Seventy-Seven group in Slovakia, they recognize that their strength comes from unity in much the same way that our Colonies recognized each one as an independent but it was better to have thirteen together. And yet all they want is recognition, and they are upset when Mr. Havel comes to this country with a retinue of maybe 50 or 60 people and only six of them happen to be from the Slovakian area. They are very conscious of that. That was a mistake, but it was a recognized mistake.

My view is that what Czechoslovakia represents is hope for the nationalist conflicts that we see taking place within the Soviet Union and outside in Eastern Europe.

You may be right in the final analysis, but I believe that what we do in the way of providing information, cultural understanding, a chance for people to see how different groups in our country work and live together—and it is not always, you know, hearts and flowers in this country between groups—that this can be applied to Europe. Europe itself—EC '92 is the best example of how previously warring nations, nations that did not like or understand each other are now going to be getting together perhaps with the same currency laws, et cetera.

Mr. Smith. I am taking much too much time, I am not leaving enough for my colleagues here. But as I see your budget and the way you are explaining it, you have been cut back to $986 million, and within that you see the construction account as less important than the languages accounts. That is based on maintaining the number of languages you are now, and in effect you are asking that the construction account be available as a sort of a slush fund for reprogramming.

Mr. GELB. Mr. Chairman, I am glad you used that phrase slush fund, because that is the kind of thought that people very easily could think of when they see capital budgets. Anybody who knows anything—obviously as you and this committee do—about what construction means for the VOA knows that what we have here is merely the operation of judgment and timing. There is no slush fund in our construction. When we do not spend it, we suffer by that loss. But my view is, on a judgmental basis, that the degree of pain that causes is far less than the pain that would be caused by eliminating languages.

SEVILLE FUNDING TRADEOFFS

Mr. SMITH. If we were to go along with the proposal to fund the Seville project with a million and a half out of this year's budget, you would have to have a reprogramming. Where would you get that and where is the tradeoff there? Why is Seville more important than some projects already in your budget?

Mr. GELB. Well, I mentioned that it is tough to compare apples and oranges, but let me try in short form. The next 20 years will not be like the past 40 years have been, where it is a comparison of who have the strongest missiles and whether or not there is going to be a hot shooting war. We have had a cold war that appears to be getting very close to being resolved in favor of peace and freedom.

What we are going to see is, if it is not a hot shooting economic war, it will be the toughest economic competition that this Congress or the American people have ever seen. I want to do everything possible as a former businessman who understands competition perhaps as well as anybody in Washington today—and I say that with all deference to the members of this committee and to the great businessmen who are in this city. I have lived in a world of competition for over 30 years. We, quote, "ain't seen nothing", because the Japanese have become a supercolossus in the economic competition. The Germans, who are stronger and more effective than they have ever been, will be slowed a little bit by the absorption of East Germany, but I guarantee you in 3 years when they have swallowed that, they will be even more powerful than they are today.

If the United States is not clearly recognized as a player in Europe as well as the United States and in Southeast Asia, we are going to see a chance for our great standard of living for our grandchildren diminished in an important way. We have no edge when it comes to competing other than our ingenuity, our brains and our Yankee competitiveness.

We have to say symbolically, in my opinion, that the United States Government, not just the companies—American companies are doing the best they can under very tough circumstances in Europe and in Asia. But if the United States Government does not want to be lumped in with Libya, North Korea and Albania as the only four countries not represented as major countries in Spain at the time that EC '92 is coming, then we will have to make a commitment for participation in Seville.

Mr. **Smith**. But the question is, what is the tradeoff? What are you going to reduce in order to get the money? That is the question. You know, I can make a speech about everything in your budget and how great it is. But what is the tradeoff?

Mr. **Gelb**. The tradeoff is time. We are changing the timing——

Mr. **Smith**. No, I am talking about your budget. What is it that you will reduce in order to get the money for Seville? You have a personnel ceiling ineffect now. Is Seville more important than your personnel? Is it more important than maintaining all your languages? Is it more important than the Israeli station? What is it more important than?

Mr. **Gelb**. Well, I believe that each one of the issues are important. You are asking me, what is Seville more important than?

Mr. **Smith**. Yes.

STAFF REDUCTIONS

Mr. **Gelb**. I think Seville is more important than having 300 people somewhere in our Washington organization who are not doing but 10 percent of what they should be doing.

Mr. **Smith**. Do you think Seville is more important than some of your salaries and expenses are?

Mr. **Gelb**. I think Seville and the representation of the United States Government at that quincentennial affair in terms of what it can mean to our economic health in EC for the future, the symbolic meaning that it has, is more important than people within our agency who are not producing on a productive basis. The problem is, I cannot do anything about those people.

Mr. **Smith**. Why not?

Mr. **Gelb**. It is very difficult to have reductions in people in this system.

Mr. **Smith**. Well now, we have just been talking about needing more languages instead of less. How do you get reductions when you need more language instead of less?

Mr. **Gelb**. How do I get reductions in people?

Mr. **Smith**. Yes.

Mr. **Gelb**. Well, it is very simple. Let us say I add 12 people to put on a Tibetan language service which, by the way, is something that we have been asked to address ourselves to, because there are probably a million Tibetans who have either been forcibly evicted from their country or killed in the last 5 years. This is a part of the world's attack on freedom that very few people know about. And we feel that it is important to reach these people with a message like that which has reached Eastern Europe.

We have to find those people. But 12 people will be increased to deliver that language service. And if we can have 18 people who are nonproductive, redundant, if we can find them, and if we can find a way in this particular environment in Washington to reduce them, it is one way of showing people going up and people going down.

Mr. **Smith**. Well, the way that works is, it is your responsibility to find them so that when we budget, if we put in more money for some projects and less for others, we would reduce your salaries and expenses account by a certain number of people. It is up to you to find where to take those cuts——

Mr. **Gelb**. Right, and we are doing that. As I mentioned to you, we have over a 5-year period, had a reduction of 800 positions, which I think is a fairly clear example that we are reducing people.

Mr. **Smith**. So, your answer is that your salaries and expenses account could be reduced?

Mr. **Gelb**. I am sorry?

Mr. **Smith**. Your answer is that your salaries and expenses account could be reduced?

Mr. **Gelb**. No. My answer is that my salaries and expenses has been reduced, and on a real basis it is lower than it has been.

Mr. **Smith**. We are talking about the 1991 budget now.

Mr. **Gelb**. Right.

Mr. **Smith**. And the priorities.

Mr. **Gelb**. I ask you, Mr. Chairman, not to even think about reducing our salary and expense recommendation below the number that we have in there.

Mr. **Smith**. You just got through going through a dialogue here where you said that is what could be reduced in order to get money for Seville and for some other things.

Mr. **Gelb**. Mr. Silverman reminds me, and I thought it was clear, that in the budget where we have flexibly $8 million in 1991 above 1990, in order to have that budget we have had to take a series of cuts across many different lines of our activity including that which has to do with people who are less productive.

My point is only that it is a very difficult job to find. We are not IBM or General Motors, where you read in the newspapers that in order to have a more effective, more productive program, they just reduce their work force by 10,000 people.

ISRAELI RELAY STATION

Mr. **Smith**. Well, I must yield to other Members, but I just have one last question. You have $23.5 million in here for the Israeli relay station. That is in the Board for International Broadcasting, but it is partly for use by you. Yesterday we heard testimony about how important it is for your broadcasting in China and other countries. It is within the overall ceiling that we have for this subcommittee, and a substantial amount of money in appropriated 1990 has not been spent yet. Is it more important to you that the relay station be built and that we get those transmitters up, or that these other things we are talking about, salaries and expenses, additional languages, et cetera be funded?

Mr. **Gelb**. Well, I would like to answer, and I hope it is not being nonresponsive. But when I look at how much we put into construction for the Voice of America, I look at the total of BIB's part, which is part VOA——

Mr. **Smith**. You should.

Mr. **Gelb** [continuing]. And as well as our own. And very frankly, it is why I have believed that the reprogramming of a million and a half, roughly, in 1990 and approximately $13 million out of some number like $160 or $170 million in total is not such a crucial number. I cannot give you a technical answer on how we could somehow reduce the VOA component of BIB, but I can tell you this. From recent testimony that Mr. Forbes has given, I understand that they have already made a decision to reduce their effort by about ten transmitters. So, I know they are thinking about it.

Mr. SMITH. That decision was made last year.

Mr. GELB. Was that last year?

Mr. SMITH. Yes, with regard to the ability to jam. But that does not affect their ability to permit you to have the additional tower to broadcast to China and certain other places.

Mr. GELB. Mr. Forbes did tell me one thing last week. We talked on the phone and he said, "There is some good news; it looks like we are going to be able to transfer some funds into your budget." What I heard was $16 million. What Stan Silverman tells me is that it is more like $3 or $4 million. And I do not have the definitive answer, but something is happening there which looks like it is doing what——

Mr. SMITH. Well, something is happening in the Administration, and it has got to be done within the Administration. Different agencies are involved. We have got to get together and decide how important this Israeli transmitter is.

Mr. GELB. We think it is important, obviously.

Mr. SMITH. I am talking about how important. I know that there is a disagreement within the Administration at the present time on this. But if they were to decide that there are alternative ways of carrying out our missions in a satisfactory manner—in other words that you do not have to have that particular one and instead we could go ahead with Sri Lanka or other ways of getting there and still get satisfactory results; that it might be more important to have more languages instead of additional power—if that is the decision, then we have got some room to work with. If it is not the decision, though, we are right back where we have been for the last 30 minutes here talking to you.

Mr. GELB. Mr. Chairman, can I just add one point because I think it is really crucial relative to—you are the one who brought up South Africa, and I think properly so, because the world did not rise and fall on Eastern and Central Europe; it is just part of the world. One of the very clear issues that is going to be facing the United States as well as Africa, and that means all of the world, is the changes that dramatically are taking place right now in South Africa.

Perhaps more unbelievable than what is taking place in Eastern Europe is what has been taking place as a result of what Mr. De Klerk has been doing and saying relative to relations between the races. We do not at this point have the ability to reach into areas like Durban, Cape Town. The thing which maybe no one is talking about—but it is very clear to anyone who reads the newspapers—is throughout the world, across a belt, almost to the middle between the Northern and Southern Hemisphere, is the area which can be easily called that where Moslem fundamentalism lives and is growing.

Mr. SMITH. Can that be reached through an alternative system that will cost less money or not? I do not know; I am just asking. Is that transmitter crucial?

Mr. **Gelb**. Yes, it is. When these transmitters get finished, they will enable us to program with a good clear signal into all of that Asian part of the Soviet Union.

Mr. **Smith**. I thought that that was what Morocco and Sri Lanka were supposed to do.

Mr. **Gelb**. Well, Sri Lanka——

Mr. **Smith**. And Thailand.

Mr. **Gelb** [continuing]. Is primarily into the Asian area.

Mr. **Carlson**. Mr. Chairman, my name is Dick Carlson, from VOA.

The signals come from different directions. They can be more effective, and you are absolutely right, some of them do come from Sri Lanka, which has a small number of transmitters. Some will come from Morocco. It is an overlapping system. They come in from far apart geographic areas.

Mr. **Smith**. There are alternatives, though?

Mr. **Carlson**. Yes, indeed. The Israeli station itself, from VOA's point of view, to bring a signal into Eastern Africa and Central Africa is very important to us. We are relying primarily in South Africa on Botswana.

Mr. **Smith**. Well, if the Israeli station were to be cancelled, how would you get to those areas?

Mr. **Carlson**. It would have an effect on the modernization planning. We were planning to use the Israeli station to take some pressure off of Greece, for instance, and use that signal more heavily in Eastern Europe.

Mr. **Smith**. In other words, you would rearrange your delivery system?

Mr. **Carlson**. That is correct, sir, we would have to rearrange it.

Mr. **Smith**. But you could do it?

Mr. **Carlson**. We could, of course.

Mr. **Smith**. Of course, those are considerations that I am sure are going on within the administration right now.

Mr. **Carlson**. Yes.

Mr. **Smith**. Mr. Rogers?

Mr. **Rogers**. Thank you, Mr. Chairman.

EASTERN EUROPEAN DEVELOPMENTS

Mr. Ambassador, welcome to you and your staff. I think you and your staff deserve thanks from the people of Eastern Europe. The leaders from those countries have issued statements, several of them, thanking this Agency, thanking the radios principally for being the only lifeline to the truth during some very, very dark years.

I think America's message, the message of hope, got through, and got through because of VOA. But for that message, the results that we have seen so far might not have occurred.

I think congratulations are in order, celebrations in fact.

Certainly the results in Eastern Europe were the result of a war of ideas. The natural state of man, freedom, prevailed there because they were able to coordinate not only within a nation but across the border into another beleaguered Eastern European nation and learn only through the radios that things were going on across the mountain and across the border similar to what they themselves desired. And that war of ideas prevailed in favor of the freedom of those people.

As the Chairman said, we have only begun. The challenges in that part of the world are going to switch gears now, from discovering freedom to learning how to manipulate it and use it effectively. To me the outreach that your Agency provides is absolutely more critical now than it was even before the breakthrough in Eastern Europe. I would hope that the Congress would see the need to continue to fund these programs even more than they have in the past, and that the Congress will refrain from attempting to realize some sort of a peace dividend from your Agency.

What you are going to be doing in the next few years is terribly important. And yet you occupy less than one twenty-first of the whole foreign affairs budget. You are a little less than a billion dollars out of the $21 billion foreign affairs budget.

How can the U.S. Government justify that, Mr. Gelb?

Mr. GELB. I have always been a great believer in the power of an idea. Ideas can move mountains. Ideas can move people. Ideas can change the future of the world. Fortunately, an idea does not require a massive electromagnetic dam built in the middle of some hard to reach place. It comes out of a human brain.

We work with the human brain. We provide the kind of information at perhaps the best return on investment of anything that I know of that is operating in the United States Government. What our investment pays off in is a decreased need for expenditures for hardware that never gets used, that ends up being destroyed, only to produce more hardware at ever-increasing costs.

The wonderful statement that Edward R. Murrow said many years ago, that no cash register rings when a man or a woman changes their mind, is as appropriate today, if not more so, than ever before. Now we can reach people with our ideas far more easily. Unfortunately, we have just begun, though.

Mr. ROGERS. The point I wanted to make was this. Out of the $21 billion we spend in the foreign affairs field, the U.S. Government through your Agency, the USIA, only spends less than a billion of that. It seems to me that this is an inequitable distribution of funds, considering the impact that your Agency has had and will continue, I hope, to have in the fight for freedom around the world.

You have increased NED a little bit. You have got money in for the new Kabul post in Afghanistan. You have got extra monies in for the VOA refurbishment. But beyond that, this is a pretty tough, lean, mean budget.

Mr. GELB. It is, too lean, too mean. But we have to live within the money that is available under times that are tough for everybody here in Washington.

Mr. ROGERS. But you know, we have been working for, what, 45 years in Eastern Europe? We have had everybody from Churchill to Reagan to every diplomat in the world in there trying to bust loose the people of Eastern Europe. We have spent billions and trillions of dollars in soldiers. We have got 750,000 Americans in Germany alone today. We spent trillions of dollars trying to free up Eastern Europe.

All of a sudden it breaks loose, primarily I think through the pennies we spend on broadcasting to those poor people. And then all of a sudden we say, well, let us shut things down; it is not important. And I just do not understand that. I do not understand that we would crimp your budget at a time when the grand opportunity is laying out there before us, something for which we have worked over our entire lifetimes as a nation, the freedom of Eastern Europe.

Surely OMB would have listened more carefully to some of the requests you made that they turned down.

By the way, could you give us for the record a copy of your request to OMB?

Mr. GELB. That shall be done.

Mr. ROGERS. So we can see what they did not give you.

Mr. SMITH. That will be inserted into the record at this point.

[The information follows:]

REQUEST TO OMB

The Agency's original budget request to the Office of Management and Budget totalled $1,065.8 million and 8,835 FTE work-years. OMB allowed $981.6 million and 8,697 FTE. Subsequently, additional costs of $10.3 million in 1991 Federal pay raise costs were identified. OMB added an increment of $5.2 million for one-half of these pay costs (in line with government-wide budget policy), for a revised total of $986.7 million, the amount we have requested from Congress. The following table compares the two requests:

The Salaries and Expenses reduction of $52.8 million:

-- Reduced the 1991 base by $18.9 million to reflect the anticipated 1990 Congressional appropriations post-sequester level of $635.1 million, compared to our 1990 appropriation assumption of $654.0 million in the OMB submission;

-- Returned the additional administrative support payments added to our budget in 1990 to the Department of State in 1991, for a decrease of about $26 million;

-- Disallowed certain program enhancements and some built-in requirements totaling $2.5 million, and required the reallocation of $5.4 million to absorb other costs; and,

-- In accordance with government-wide policy, required 50 percent absorption of the 1991 Federal pay raise costs, totaling $9.7 million, which were separately identified by the Agency for OMB. This will require further reallocations of $4.8 million.

The Radio Construction reduction of $16.3 million disallowed $11.8 million for an antennae contract that will likely slip to 1992 and $4.5 million for other lower priority system improvements.

The Exchange Programs reduction of $11.7 million straight-lined the corrected 1990 Congressional level,which will force a reallocation of program priorities.

The East-West Center reduction of $3.5 million maintained the USIA grant for this private non-profit organization to the level of the past few years.

The Radio Broadcasting to Cuba and Office of the Inspector General Accounts were fully funded at the USIA request level, plus the allowance for one-half of the 1991 pay costs.

The $25 million request for National Endowment for Democracy programs was not reduced by OMB.

Mr. GELB. I think one answer I would give is that the time I had to learn what I do know today about Washington is very clear that I have not been anywhere near as productive working with OMB, and perhaps not even as productive working on the Hill as I would like to. Callow youth I cannot claim, but less than a long number of years on this Hill I can, and do claim. And I do know that there are many ways that in the future I will be working to make sure that this message gets across.

But I should mention something because I think it is important. When you have to work with ultimately a budget, and budgets ultimately one day get cast in stone, then you have to use your ingenuity and you have to use your judgment. One of the things that reflects a good judgment on the part of the Congress and good judgment on the part of the USIA was done, I believe, in 1985. It bears directly on what has happened certainly in East Germany, because a decision was made to once again reprogram money from the Voice of America construction, $12 million, which I think in 1985 is the equivalent of probably $18 million today. But that $12 million, someone said it is more important to spend it by putting in television into West Berlin so that we could have a U.S. presence broadcasting in West Berlin but reaching East Berlin and six million of the sixteen million East Germans.

I have a little clipping that I pulled out of a magazine called Financier just a few days ago. The subject was called Television. And the statement is: "Revolutions have historically come about when people living under emperors or dictators decided their degradation was no longer tolerable, that something had to be done to make their lives easier and more comfortable."

Very frankly, this statement's relentless images on television showed a way of life seldom if ever previously glimpsed by millions of less privileged right there across the Wall.

I think that we made a judgment on how to spend money then which is very similar to what I am asking for today, which is judgment in reducing somewhat the construction budget to keep our effort going in those language services and——

Mr. ROGERS. Well you see, I find that nitpicking. I think you are underfunded by millions, maybe tens of millions, maybe more. You are having to scrounge money to reach critical regions by radio, spreading America's gospel. And the United States is not getting into those critical places now according to Mr. Forbes of the Board for International Broadcasting, who testified yesterday. And to scrounge money from that account, that absolutely vital thing that is going on in this world is wrong. The new Eastern Europe, the Muslim part of Russia is where we need to reach.

You are taking money from that to keep some languages going which are necessary, but that is pennies. You know, we are quibbling over absolutely small details while Rome burns. I just find it ludicrous that OMB is causing that kind of scrimping after all of the zillions of dollars we have spent trying to free up Eastern Europe over the decades of time and then to freeze an agency that I think is vital to that goal and what is going on inside the Soviet Union.

Mr. GELB. Can I thank you for making that statement?

United States Information Agency
Comparison of OMB and Congressional Requests for 1991
(Funds in thousands)

	Request to OMB		Congressional Estimate		Difference	
	FTE	Funds	FTE	Funds	FTE	Funds
Salaries and Expenses...........	8,466	$ 691,448	8,328	$ 638,670	-138	$-52,778
Educational and Cultural Exchange Programs.............	--	166,029	--	154,330	--	-11,699
Radio Broadcasting to Cuba......	170	14,954	170	14,954	--	--
Office of the Inspector General.	52	4,040	52	4,040	--	--
East-West Center Program........	--	23,500	--	20,000	--	-3,500
National Endowment for Democracy Program.............	--	25,000	--	25,000	--	--
Radio Construction..............	147	140,815	147	124,557	--	-16,258
Subtotal, Original Request...	8,835	1,065,786	8,697	981,551	-138	-84,235
1991 Pay Raise Costs Identified Separately for OMB *	--	10,314	--	5,157	--	-5,157
Total......................	8,835	1,076,100	8,697	986,708	-138	-89,392

* Pay costs are distributed by account as follows: S&E, $9,718,000; Radio Construction (TV Marti), $200,000; Radio Marti, $230,000; and Inspector General, $166,000.

Mr. **Rogers**. Yes, sir. That plus a quarter will get us both a cup of coffee.

TV BUDGET REDUCTIONS

You mentioned TV. Let me ask you briefly this. The TV and Film Service in your budget gets a small hit from what you had in mind. And that is on top of about a 13 percent hit that it took in this year's budget. So, it has got a pretty good slash coming into it.

Let me ask you what components are to be cut, what will be reduced next year in the Television and Film Service?

Mr. **Gelb**. The head of our television service, Steve Murphy, said it about as well as you can say it. What has been cut? We have a magnificent Cadillac of a technical system to provide television anywhere virtually in the world. But a Cadillac needs gasoline to do more than stand in place. And we have virtually, I would say less than three-quarters of a million dollars for any kind of programming, other than what we can get when we put our hand out and get free television from someone who has already made it. We are budgeted only to do interactive television, which I think is a wonderful part of what we offer. But there are so many creative uses of the most powerful, powerful communications device, powerful enough to start a revolution. Without television there would have been no Romanian successful revolution, according to the people in Romania. And that is where we are because of the budget cuts that we have taken on television.

Mr. **Rogers**. Let me again mention briefly the VOA. As I understand, the VOA request is for $124.6 million. Is that right? From which you would reduce down to $107 million?

Mr. **Gelb**. No——

Mr. **Rogers**. On the construction account.

Mr. **Gelb**. That includes TV Marti.

Mr. **Silverman**. $18.1 million of the $124 million, Mr. Rogers——

Mr. **Gelb**. It is $107 million for the actual construction——

Mr. **Silverman**. The Director was referring to the $107 million component. He would seek an amendment to the budget to move $13 million. Due to the lower cash payout rate, you have to take $13 million of construction funds to get $5 million into the salaries and expenses account for the VOA operation.

SERBO-CROATIAN BROADCASTS

Mr. **Rogers**. Let me also briefly mention this. On the Yugoslavian Serbo and Croatian language dispute, I have been contacted too. My understanding is that in Yugoslavia, when you use the term Serbo-Croatian language, that is a code word for the Serbian language, that the Croatians understand that that is a code word for Serbian. And the Croatians get the idea that you are preferring the Serbians. Rightly or wrongly, that is how they are perceiving that. That is my understanding of things. And there are only two Croatian employees versus seven or eight, or whatever, Serbians. They are upset about it.

Mr. **Gelb**. Let me say that that is a very accurate comment on the makeup of the Serbo-Croatian service. We have put in an affirmative action program, if you will allow me to use that designator. We currently have, of the people who are waiting to be confirmed, given security clearance, et cetera, five out of the six people on that list at this time happen to be Croatians. And we are clearly trying to make sure that the staff reflects the Serbian Croatian makeup of Yugoslavia.

Mr. ROGERS. And the Croatians want some of those broadcasts in pure Croatian, not Serbo-Croatian, which they perceive as Serbian.

Mr. GELB. We do have some of them by Croatians, who are speaking in Croat. The problem, deeper than that, I believe, is that what they want is a separate language service called Croatian Radio. And the policy of the government, as I said, for a long period of time, probably since the Second World War, has been not to have a Croatian broadcast and a Serbian broadcast but to have one which is for all of that area. We have an expert in languages at the VOA. I have talked to him myself. Although there may be some words or phrases where there are material differences, the majority of the language is virtually identical.

SEVILLE EXPOSITION

Mr. ROGERS. Let me switch now finally, before I close, on to Seville.

Apparently there is developing, a body of thought that the only way we are ever going to be able to balance our trade accounts worldwide or reduce the trade deficit is to try to co-opt the newest market in the world, Europe, competing against the Japanese; and that we are going to face the Japanese head on in Europe for that giant, huge, biggest in the world market in Europe '92.

No. 1, do you perceive that as a fact of life? No. 2, how can we benefit, if that is true, in penetrating the European market by spending this money on this exhibit in Seville?

Mr. GELB. As I stated, I do not believe that automatically what is good for business is good for the USA, but I can tell you that the productive work that is done in this country and probably every other country around the world, the wealth that is created is created by individuals working either alone or in companies. So, we start off with a bias on my part that I believe the good health of business and industry is related to the good health of the working man in this country and to the Treasury and to the standard of living.

So, having spent my life in this area, and knowing about the competitive forces, how they are going to be taking place—in fact, they are taking place now. They are not waiting for 1992. But 1992 symbolically is when EC '92 will be proclaimed. And then it is not just what EC '92 was a year ago. It is what it will be when Eastern and Central Europe are becoming a part of it and, very frankly, when the Soviet Union becomes a part of it.

We are separated physically and symbolically by the Atlantic Ocean. We have been a part of Europe because of NATO, which has been the great force for unity between the United States and Europe. NATO is showing signs of questions, questions of where it is going to be. The way the United States Government can make it very clear that they are a part of Europe, not just with words, is by doing what every other country in the world who wants a piece of that market is doing. According to my understanding, this is not a fun and games little world's fair. This is serious, tough business. Every state in this country which is oriented toward it is looking at the possibilities that this might mean a little bit more export, a little bit more business.

My feeling is that you can't let the companies be the only people who are there, catch as catch can, other than having the United States say, we are there, we are supporting this effort, we are a part of Europe. I think this is a one in a lifetime chance because there is only going to be one 500th anniversary, one symbolic time for us to say it. And very frankly, we get a lot of other benefits beyond just the economic one. We get a strong political benefit because we have a chance to increase the favorable attitude toward the United States that does not exist as much in Spain as it does throughout Europe. Indirectly, through a more favorable attitude in Spain toward the United States, we will start to develop a more favorable attitude in Central America and South America, who to this day look to Spain for a certain kind of moral leadership.

Mr. ROGERS. Will States have a chance to have an exhibit there?

Mr. GELB. Yes.

Mr. ROGERS. And sell their products?

Mr. GELB. Some States are already very much committed to the fair.

Very frankly, that is the other thing. The faster we can get an acceptance of the idea of the United States being there, we will get instantly the favorable yes from the companies who are saying: "Well, we like it, we think we are going to do it, but is the government going to be a part of it? If the government is not going to be a part of it, we cannot join in. It does not work. It is not a total commitment."

I am not just saying this to make my case. I have heard this from Marvin Stone, our former deputy, who is responsible for working with the private sector to develop that support. I believe we have got $6.5 million worth of cash already on the line, potential commitments for close to $16 million, as I understand it. That number may be off, and I do not want to hang by the thumbs because of it. But my understanding is that Marvin Stone is saying, we have got this thing; get us the government's commitment. And I know it is a tough one. I know it is an unpopular issue. I know it is one that there are hot and heavy conversations and controversies on. And I know that, and I have had long talks with members of this committee including you, Mr. Chairman.

I have no personal interest, obviously, in wanting to be responsible for a very difficult project, which is that exposition. But I believe we have our farmers, we have our workers, we have our companies all over America who have a stake in our being there and a stake in Europe.

Mr. ROGERS. It seems to me that if we spent money to go to Brisbane, Australia, wherever it was, some remote corner of the world—I am not downgrading Brisbane, it is a beautiful city, but it is not the center of any great impact. If we spent money going to Brisbane and we spent money going to these other places, we would be absolutely crazy, in my judgment, not to spend this amount of money to go to the center of the world's largest market, Europe '92, and put our foot in that door.

That is where the battleground of the nineties is, Europe. And the battleground is economic, not military.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you, Mr. Rogers.

Mr. Early?

Mr. EARLY. Thank you, Mr. Chairman.

ABSORPTION OF PAY RAISE AND SEQUESTRATION

Mr. Gelb, you mentioned $29 million. Is that the amount that the USIA has to absorb because of pay raise and sequestration?

Mr. GELB. If I may, I am going to let my expert, Mr. Silverman, deal with that.

Mr. SILVERMAN. The $29 million, Mr. Early, is the collective increases that we face in '91 due to the pay raise, overseas inflation, other cost of living increases in '91. And the fact is, in salaries and expenses, we are only getting an $8 million increase to address that total. So, we estimate——

Mr. EARLY. What is the total amount you have to absorb because of the pay raise and sequestration?

Mr. SILVERMAN. The '91 pay raise amount will be $5 million, because under policy we have to absorb half of that potential pay raise. We are absorbing the whole pay raise in '90, of over $7 million.

Mr. EARLY. For '91, $5 million. What is the amount of sequestration?

Mr. SILVERMAN. The sequestration in 1990, which would kick in if section 614 is repealed, is the $7 million sequestration, against USIA's funds.

Mr. EARLY. So what plans are being made to accommodate the absorption?

Mr. SILVERMAN. Of the pay?

Mr. EARLY. Yes, of both.

Mr. SILVERMAN. Well, the sequestration in '90 would obviously take money off of each appropriation because it comes off by formula.

Mr. EARLY. Across the board?

Mr. SILVERMAN. We would not propose to do that in salaries and expenses, but it does come off of each appropriation.

We would not have been subjected to sequestration in salaries and expenses except for the fact that we have the extra component pending in our budget for '90 to pay the State Department. That was not in our base in 1989. OMB would not adjust the base to allow for that switch. So that sum of money, that $24 million is the cause of the sequestration in '90.

Mr. EARLY. That is the disaster payment you are talking about?

Mr. SILVERMAN. Well, the disaster offset to get the money released in repeal of Section 614, yes, sir.

Mr. EARLY. O.K. With respect to the overseas missions, what criteria was used to determine what you cut there?

Mr. GELB. In the overseas cut that we made?

Mr. EARLY. Yes.

Mr. **Gelb**. We have a formula which basically was a—let me go back one step.

My first view of the Agency and my trying to assess priorities led me to the feeling that the heart and soul of our Agency—and again I am not going to try to count angels on the end of a pin—but in my judgment the heart and soul of our Agency were the people in the field, overseas and around the world that interrelated with the journalists, with the academicians, with the thought leaders who could reach the people and provide us with information that we could bring back to this country and also help us to give the people within Congress and the administration an understanding of how people felt about our policies and at the same time to make sure that we were clearly getting greater understanding. I believe that without the people in the field, that we would become virtually an emasculated agency.

So my priority was people in the overseas area, whether they are U.S. Foreign Service Officers or Foreign Service nationals, they, had to be given No. 1 priority, held at all cost until we just had to take a cut.

Just as an example of priority, we took only a 1.1, I believe, 1.1 percent cut finally in our overseas area, compared to 17 percent or more in our television service.

EXCHANGE PROGRAM CUTS

Mr. **Early**. You say your primary mission is to strengthen personal and institutional ties between the United States and other countries, et cetera. Now, given the remarkable events in Eastern Europe and the Soviet Union, why is the Agency proposing reductions in the exchange of persons programs? The academic exchanges and the international visitors program?

Mr. **Gelb**. Why are we proposing them?

Mr. **Early**. Reductions, yes.

Mr. **Gelb**. Because we have a fixed budget, Mr. Early, and we have to balance everything that we have in the Agency. See, I made it a point early on when I got to the Agency to find out what are we doing that is wasteful, redundant, no longer needed, out of date. And very frankly, I spent a lot of time going to posts in different parts of the world. I could not find any, whether it was our library program or whether it was our book program or whether it was our exchanges programs, our visitors programs, our Voice of America, our television Worldnet interviews, I could not find waste and excess effort.

So, when you say to me, why would you cut exchanges, I do not want to cut exchanges at all, but you have got to cut if you——

Mr. **Early**. Your answers are too long. We keep going on and on and on with an answer.

Your program for foreign students studying here, that is not one of the most publicized programs, but it is one of the more productive.

Mr. **Gelb**. Absolutely.

Mr. **Early**. Well, you are reducing that.

Mr. **Gelb**. Well, if you look at the programs—do you want a short answer?

Mr. **Early**. Yes.

Mr. **Gelb**. Yes, we are. We are doing it, and nobody likes it. And if we had enough money to operate with, we probably at this time would be doing what we should be doing, increasing it.

Mr. **Early**. This Member thinks you are going in the wrong direction by doing that.

Mr. **Gelb**. Say again?

Mr. **Early**. This Member thinks you are going in the wrong direction by doing that. As far as your answers to Mr. Smith, we have got to keep all the personnel, we have got to do all the things that—you know, everyone is taking credit for what has happened in Eastern Europe. A lot of them just happened because of time.

What is the status of the Agency's Fulbright and other exchange programs with the People's Republic of China?

Mr. **Gelb**. Well, right now we are negotiating. The Chinese have made an offer which, very frankly, is not what the offer had been prior to Tiananmen Square. They want to exchange people, but they do not want graduate students in the mix; and our mix has always been graduate students, professors.

We feel that there should not be, without plenty of discussion, any concessions on this particular issue. We think it is important to keep that door open. But we are negotiating right now. I am hopeful that we will have that program. But right now it is kind of on hold.

REPROGRAMMING FOR SEVILLE EXPOSITION

Mr. **Early**. Both Mr. Rogers and the chairman spoke about the Seville project. I see you have got $4.3 million for this year. I did not see any money in last year's budget—of $3 million. Where did that come from?

Mr. **Gelb**. You mean in the 1990 budget?

Mr. **Early**. Yes, '89.

Mr. **Gelb**. 1989.

Mr. **Early**. Excuse me.

Mr. **Gelb**. 1990?

Mr. **Early**. Yes.

Mr. **Gelb**. Uh——

Mr. **Early**. I do not recall we provided any money for Seville in the '90 budget. Did we?

Mr. **Silverman**. No, Mr. Early. The conference report on the '90 appropriation dropped the Senate allowance for Seville. And we will be formally proposing a reprogramming. A million four of the three million comes from balances that were left over from Brisbane, Vancouver, and Tsukuba, old fairs. We would also be reprogramming a million six in 1990, taking it from exhibits planned for the Soviet Union. That will be the essence of our proposal.

Mr. **Early**. So, this budget request which is approximately $4.3 million, which says this is an increase for Seville for a total of $7 million, is based on a reprogramming——

Mr. **Silverman**. On a reprogramming in 1990 to get the base, and then an increase of $4.3 million in 1991 to get to the $7 million.

Mr. **Early**. Does your comptroller, budget director, whoever, think that is good policy, basing things on reprogramming?

Mr. **Gelb**. Can I answer that?

Mr. **Early**. Do you think it is?

Mr. **Gelb**. I have to make the policy, which he has to follow. I take full credit or blame for any of the policies. But let me say this. If your basic premise is that this 500th anniversary exposition is important to the future well-being of the United States, as I do, then the plan that is required to execute that policy involves reprogramming of enough money so that we can keep this alive while the decision is being made as to whether or not the Congress feels that we should or should not be protecting our economic interests.

Mr. **Early**. I am not into the philosophy or anything else, budgeting principles. You are here on behalf of your '91 budget request. And you are in here with these requests before we even get it reprogramming. I cannot remember that happening, Mr. Chairman, in my years here.

Mr. **Gelb**. I am working on the '91 budget. I do not even know what the '90 budget is. So, I have not had that experience either. But I can tell you this. Unless we can get an agreement to reprogram enough money to keep Seville going this year, the rest of it becomes somewhat academic. We have to have—you know, before you build a house, you have to build a basement. That is what we are trying to do with the reprogramming.

We are asking for that separately——

Mr. **Early**. Who says every house needs a basement?

Mr. **Gelb**. Where I come from.

Mr. **Early**. I do not follow the logic of how we reprogram before we even start. I have never seen us do that.

Mr. **Silverman**. But we have not spent the money, Mr. Early. Obviously what we do in '90 is contingent on this subcommittee and the Senate and the authorizing committees approving the reprogramming before the validity of our '91 request is established. And meanwhile it is on hold, as the director said.

Mr. **Early**. Will you provide for the record what your professional opinion is, Mr. Gelb, on the reductions that will be taken and what the impact will have on those programs?

Mr. **Silverman**. For '91, Mr. Early?

Mr. **Early**. Yes.

Mr. **Smith**. That will be included in the record, without objection.

[The information follows:]

STAFF AND PROGRAM REDUCTIONS FOR 1991

The pending 1991 request will require the Agency to make staff and program cuts totaling $15.2 million in order to absorb one-half of the January 1991 Federal pay raise and to partially offset inflationary cost increases and other requirements. While the exact nature of these cuts is still being determined, they are likely to include the following:

In our overseas operations, reductions totalling $4.0 million. This would involve curtailment of USIS activities around the globe and the elimination of 77 positions, including 22 Americans and 55 foreign nationals.

In the Voice of America, cuts of $3.3 million. We calculate that reductions of this magnitude would involve unacceptably harmful cuts to VOA. Accordingly, we have contacted OMB, and are now developing a proposal to transfer funds from the Radio Construction appropriation to mitigate the effects of these cuts.

In the Agency's domestic structure supporting overseas operations, reductions of $3.0 million and 31 positions throughout the range of program and administrative services.

To accommodate the costs of inflation in the Exchange-of-Persons Program and the East-West Center, curtailment of $4.3 million in exchange programs—including $2.9 million in Academic Exchange Programs, $1.2 million in the International Visitor Program, and $.2 million in Private Sector Programs—and a cut of $.6 million in the programs of the East-West Center.

In sum, we have a budget that increases by almost $60 million for a number of specialized purposes, primarily continuing modernization of VOA's facilities. But USIA's core operating and exchange programs continue to erode. Coming on the heels of cuts totalling $100 million from 1987 through 1990 in Salaries and Expenses alone, the inevitable result of these 1990 cuts will be a diminution of our ability to mount an effective public diplomacy program overseas.

Mr. GELB. Thank you, Mr. Chairman.

Mr. SMITH. Are there any more questions?

[No response.]

Mr. SMITH. Thank you for your testimony. We will have some additional questions to be answered for the record.

[The following questions were submitted to be answered for the record:]

Questions for the Record Submitted by Chairman Smith

Eastern Europe and Soviet Union Changes

QUESTION:

As you know, monumental changes have occurred in Eastern Europe and the Soviet Union in the last six months. What action has the Agency taken to assess these changes and the need for changes in the Agency's programs?

ANSWER:

Director Gelb and senior USIA officials responsible for our East European operations have been visiting the USSR, Hungary, Czechoslovakia, Romania, Poland and East Germany over the past seven months to monitor and assess these changes, and to discuss USIA's needs and local programs with our country officers.

USIA is also drawing on outside expertise in assessing the changes and information needs in each country. In November, USIA sent Professor Jerome Aumente of Rutgers University to Poland to evaluate possibilities for assisting development of a free and independent press in that country. His 63-page report provided specific suggestions which USIA and the private sector are carrying out. Additional American specialists are visiting Czechoslovakia. We intend to do so in other countries in Eastern Europe.

As a direct result of these changes, President Bush announced in July and USIA has established a $6.1 million initiative program for Hungary and Poland, in addition to the continuing USIA programs in those countries. We are also cooperating closely with many private sector organizations to further expand cultural and educational exchanges in Eastern Europe. Our USIA posts continually provide us with information on new program opportunities resulting from the new openness and access in formerly closed societies.

Eastern Europe and Soviet Union Changes

QUESTION:

What changes in your workload have occurred since the changes in Eastern Europe and the Soviet Union?

ANSWER:

The USIA workload, both in Eastern Europe and the Soviet Union, as well as in Washington, has increased enormously because of the revolution of 1989. Increases overseas are due to the greater access and receptivity to our programs, press support requirements for official visits and U.S. media, and facilitating the efforts of a very active American private sector.

We have a significant expansion in traditional Fulbright academic exchanges. We have developed draft agreements for Fulbright Commissions and exchange offices in Budapest, Warsaw, and Moscow. The E Bureau is also administering multiple components of the President's Eastern European Initiative in a broad new program to provide a rapid response to the fast-breaking events there. Finally, the Bureau administers the recently established, Congressionally-mandated Samantha Smith Memorial Exchange Program for youth and undergraduate students in the Soviet Union and East Europe. The number of proposals submitted by private sector organizations for the limited funding for this program has quadrupled since last year.

There has been a significant increase in staff time devoted to developing and negotiating exchange proposals and new initiatives, responding to the high volume of inquiries about new exchange opportunities, and negotiating with and supervising the contract agencies implementing these exchanges.

In the International Visitors Program, there has been a significant increase in workload, as the number of visitors from the region will probably double as the changes continue and stabilize. In Washington there has been no increase in staff to cope with this dramatic expansion of work.

The Voice of America has opened bureaus in Moscow and Warsaw to improve coverage, increased the travel of correspondents, and initiated a cooperative English-Polish language newscast with Polish Radio.

In January of 1990, the USIA library in Prague had more than 7,000 visitors compared with only about 2,000 a year earlier. In December, 3,000 students besieged the U.S. Embassy in Prague seeking information about rumored scholarships to study in the U.S. Although the rumor has subsided, the requests for information and assistance for study in the U.S. have not. The Embassy is inundated with requests for English teaching, cultural and academic exchanges, and programs on democracy and free-market economics.

In East Berlin, both library audiences and use of materials have grown exponentially. The post is increasing its library outreach activities and computerizing its collection lists. As mandatory Russian study has ended, demand for more English teaching has exploded. We are recommending five grants for teacher trainers and curriculum developers for summer seminars. Doubling distribution of English Teaching Forum is also planned over the next two years.

The US-GDR Fulbright agreement is to be renegotiated, to allow more exchanges in both directions. There is a big demand for student counselling information from GDR citizens interested in study programs in the U.S. Wireless File distribution has gone from once to three times a week.

At our posts in the USSR, the improved climate of bilateral relations, the implementation of new Soviet policies which encourage openness as an instrument in restructuring Soviet society along democratic lines, and the introduction of new communications technology which makes possible dramatically expanded contacts between the two publics, have helped to create what is now one of the Agency's largest and most complex country programs.

This program is being managed with permanent staff resources in the field that fall significantly below those which existed in 1985, when we had been six years without a bilateral cultural agreement and U.S.-USSR relations were at a low ebb. The shortfall results from the Soviets' unilateral withdrawal in October 1986 of the entire Foreign Service National staff from our Embassy in Moscow and our consulate in Leningrad, including 12 Soviet employees of the Press and Culture section [now USIS]. These positions are now "filled" through an amorphous, constantly changing and costly combination of American contract employees (3), temporary local hires from the American community (3.5), and occasional TDY [temporary duty] helpers brought in for major events. The difference is made up by USIS personnel who work long hours at an unrelenting pace.

The continuation of a strict diplomatic ceiling in Moscow and budget reductions at home severely limit our ability to provide staff support to the field.

Post Requests for Additional Resources

QUESTION:

Have your posts abroad requested additional staff, funds, or facilities to respond to the changes in Eastern Europe and the Soviet Union, and has the Agency approved any of these requests?

ANSWER:

Yes, posts have requested additional staff and funds.

We have approved the following items:

-- Bulgaria - One foreign national position which is now in place.

-- Czechoslovakia - One American and three foreign service national employees for Prague, plus one American Officer and four foreign service national employees to staff a new branch post in Bratislava. The additional American Officer for Prague is already in place.

-- East Germany - The Post has requested the addition of two American Officers and four foreign national employees. We believe one additional American and two foreign nationals for East Berlin would meet the Post's requirements in the short term, i.e. until the reunification issue is settled.

-- Hungary - Three American Officers and three foreign national employees. Two of the three American Officers are at Post. One is a Cultural Affairs Officer and the other is a Regional English Teaching Officer. One of the three foreign national slots is in place now.

-- Poland - One American and three foreign national employees to staff a new Cultural Center which is scheduled to open later this year. An additional foreign national employee, already in place, to work on exchange programs.

-- Romania - One foreign national employee.

-- Soviet Union - One Assistant Cultural Affairs Officer (Exchanges) and an American contract Program Assistant. Both are in place now.

In addition to these approved positions, the Agency is assessing the following post requests for additional staffing:

-- Bulgaria - One American Officer.

-- Soviet Union - For Moscow, the Post has proposed the addition of a Deputy Public Affairs Officer, an Assistant Cultural Affairs Officer (English Teaching), an Assistant Information Officer (Press Attache) and an American Secretary. An American Secretary has been requested for Leningrad. In addition, if we are successful in negotiating an agreement for the opening of an American Cultural Center in Moscow, the Post will require a Center Director and three American contract personnel. It should be noted that any USIS staff increase would require re-negotiation of Soviet-American diplomatic personnel ceiling levels.

We are also considering the establishment of American Cultural Centers in Prague and Bratislava. We will also follow the Department of State's lead in establishing a USIA Post in Kiev, after a Consulate is opened there, probably in 1991. We are in close consultation with the State Department regarding their plans for increased diplomatic presence elsewhere in Eastern Europe.

Reductions in Other Areas

QUESTION:

Have you reduced programs in other parts of the world in order to meet new requirements in Eastern Europe and the Soviet Union?

ANSWER:

Yes, the Agency has reduced other programs to meet new needs in Eastern Europe. The new requirements represent a high priority for the Agency. We are redirecting $5.3 million toward these programs in 1990, and are receiving an additional $2.9 million from AID for a total 1990 program initiative of $8.2 million. We believe that the opportunities exist to do a great deal more, but we are in an extremely tight budget situation.

To accommodate congressional reductions, built-in increases such as the January 1990 pay act, and these Eastern European increases within the amount appropriated, we must make reductions of $28.2 million and 309 positions in 1990. (We are developing a proposal that would mitigate the most harmful cuts in VOA, and that would lower the total cut to $26.8 million and 238 positions.) Our 1990 budget is a zero-sum game; for every dollar we devote to new initiatives in Eastern Europe, we must make a dollar reduction in one of our other ongoing programs.

Because of the growth during the mid-1980's of Agency activities in Washington compared to overseas program activities, the 1990 cuts have emphasized domestic operations. Among the domestic operations, the Voice of America has been subjected to a smaller percentage cut than the other major Washington organizations. The Television Service, domestic support for our overseas programs, and administrative support services have been particularly hard hit.

Details of these reductions follow.

-- Overseas Missions, $2.6 million. This reduction, while much smaller in percentage terms than the domestic cuts, continued the erosion of our overseas presence, including a reduction of programming funds and four American and 38 foreign national positions worldwide.

  The impact: fewer AmParts to explain and elicit support for U.S. policies; fewer theatrical presentations, concerts, and exhibits that highlight and generate greater appreciation of American art and culture; and reduced support for binational centers, English teaching programs, and translations of important books by renowned American authors.

  In short, less of everything that USIA does to try to foster understanding and support for the United States in the realm of world public opinion.

-- Voice of America, $9.1 million ($7.7 million with transfer language that the Agency is developing). These reductions, which will handicap VOA's continuing efforts to broaden its audience reach, improve program quality and to enhance its competitive position as an international broadcaster, include the following:

  -- A reduction in overall general operating expenses; closing of the Quesada Relay Station and Correspondent Bureaus in Mexico City and Houston; and reductions in staffing at overseas News Bureaus, for a total savings of $3.3 million and 28 positions.

- -- Elimination of 37 programming and engineering support positions and five management positions for a savings of $2.0 million.
- -- Reductions in the program transmission schedule for several languages, including Spanish, Arabic, Russian, and English to Latin America; and cancellation of the shortwave African feed to USIS posts in Africa, for a savings of $.7 million and four positions.
- -- Additional reductions will produce the remaining savings of $3.1 million and 71 positions. The Agency is developing a proposal to transfer $1.4 million from the Radio Construction account to alleviate the most harmful of these reductions; this would reduce these cuts from $3.1 million and 71 positions to $1.7 million with no associated positions.

Television and Film Service, $4.6 million. These reductions will continue to erode USIA's position at the forefront of international television broadcasting. European satellite transmissions will be cut by 38 percent, from 13 to eight hours daily ($.6 million); 29 positions will be eliminated ($.8 million); and the number of the Agency's flagship WORLDNET programs will be cut back ($.7 million). Other phases of the TV operation, such as special events coverage, the Video Library, equipment costs both in Washington and overseas, and translations into foreign languages, make up the remaining decrease ($2.5 million).

Educational and Cultural Exchange Activities, $2.7 million. Cuts to these important exchange programs included reductions in International Youth Exchange activities ($2.0 million); support to overseas schools ($.2 million); and reductions to other programs, including a total of 11 positions ($.5 million).

Program Bureau, $5.2 million. This activity provides program coordination, production, and support for the Agency's overseas programmatic activities. Cuts in this area include reduction in development, production, and collateral programming for exhibit showings in the USSR and Eastern Europe ($2.6 million); elimination of three one-city showings of an Eastern Europe solo exhibition ($.7 million); and reductions in the American Participants program ($.3 million). Other programmatic reductions, including the elimination of 31 positions throughout this activity, total $.7 million.

Bureau of Management and Administrative Support from Other Agencies, $4.0 million. These reductions affect all aspects of the Agency's administrative support services, and include elimination of 51 positions. Actions include reduced maintenance and purchase of equipment for overseas posts; reductions in guard services; cuts in financial support services and personnel services; less maintenance and repair of the physical plant in Washington; extended equipment replacement schedules; reductions in training; and other cutbacks. Collectively, these cuts will inevitably affect the quality of our public diplomacy program.

Future of International Broadcasting

QUESTION:

Given the changes in Eastern Europe and the Soviet Union, has the time come to consolidate all U.S. Government funded international broadcasting activities in one Federal agency? Would such a consolidation make our international broadcasts more efficient by eliminating duplication in administrative functions and programming, and by sharing of broadcasting facilities?

ANSWER:

We understand that the National Security Council will shortly request a review of the future of all international radio and television broadcasting. This review will consider the very unique mandates and missions of each of the U.S. international broadcast services and provide recommendations on a number of issues, including the advisability and consequences of a consolidation of these activities.

Administration Position on Broadcasting

QUESTION:

What are the Administration's plans, if any, to reconsider the future of United States Government international broadcasting?

ANSWER:

As noted in the answer to the previous question, we understand that the National Security Council will shortly request a review of the future of international radio and television broadcasting. USIA and other Government broadcasting services will participate in this assessment.

Broadcasting Levels to Eastern Europe

QUESTION:

Given the recent changes in the Soviet Union and Eastern Europe, do VOA broadcasts to those areas need to be continued at present levels?

ANSWER:

We believe the answer is "yes". Even as VOA has had a special role broadcasting to closed societies, mass audiences turn to international broadcasts during periods of change, to verify local information and to learn the United States and other international views. Depending on developments, it may be necessary to expand broadcasts to Central and Eastern Europe.

In the Soviet Union, the Baltic states, Poland, Hungary, and other East European countries, there is an almost unquenchable thirst for information about Western pluralistic democracies.

During a recent visit to VOA headquarters in Washington, Czechoslovak President Vaclav Havel urged the staff to continue broadcasting to his country, and to teach the principles of free and democratic government. During the next six months, there will be at least 15 elections in the Soviet republics and in East Europe. VOA broadcasts in 19 languages of this region are an important part of the process. Reform movements rely on straight reporting of events in their own and neighboring countries as this remarkable evolution to democracy takes place.

However, the question of VOA broadcasting levels to the Soviet Union and Eastern Europe will be addressed by the ongoing NSC review of the future of the U.S.'s international radio and television broadcasting. We currently broadcast in 297 1/2 hours weekly to the USSR and Eastern and Central Europe. This is 50 3/4 hours less than four years ago.

Salary and Program Reductions

QUESTION:

The FY 1991 budget request reflects additional salary and program reductions totalling $10,259,000. How will these reductions be applied? What posts will be closed?

ANSWER:

The recommended distribution of USIA's 1991 reallocations was made by the Agency's Finance Committee, a group of senior level officials from all major Agency elements, and approved by the Director. Given the disproportionately high level of reductions in the domestic elements in 1989 and 1990, the Committee felt that for 1991, an across-the-board reduction was the most prudent method of attempting to maintain a balanced public diplomacy program in the face of a declining resource base.

This assessment may change later in the year, as the Agency reacts to fast-moving events in Eastern Europe and around the world, and the distribution of these cuts may be modified.

The reallocations include:

-- In our overseas operations, reductions totalling $4.0 million. This would involve curtailment of certain USIS activities and the elimination of 77 positions, including 22 Americans and 55 foreign nationals. We do not currently anticipate closing any overseas posts.

-- In the Voice of America, savings of $3.3 million. We calculate that reductions of this magnitude would necessarily involve the elimination of up to six language services. However, we have reconsidered this proposal. We have contacted OMB, and we are now developing a proposal to transfer funds from the Radio Construction appropriation to keep VOA's language services at their current number.

-- In the Agency's domestic structure supporting overseas operations, reductions of $3.0 million and 31 positions throughout the range of program and administrative services.

FAAS System

QUESTION:

The FY 1991 budget also reflects a reduction of $20,634,000 for transfer of the Foreign Administrative Support System back to the Department of State. What has been the Agency's experience with the State Department in administration of the FAAS system?

ANSWER:

We believe that the fundamental policies, rules, and regulations of the Foreign Affairs Administrative Support (FAAS) System are being followed by the Department of State in administration of the FAAS system. The FAAS system is a cost distribution system. In order for the system to work in the most economical and efficient manner as designed, both State Department personnel and those of the serviced foreign affairs agencies must be familiar with the rules and processes associated with the system. The successful administration of the system, including the quality, level of support, and ultimately the cost depends on the understanding and cooperation of State personnel and serviced agency personnel.

FAAS System

QUESTION:

If the Congress decides to maintain the current financing system for FAAS for FY 1991, what amount would have to be transferred from the State Department's budget to maintain the current level of FAAS administrative support?

ANSWER:

We estimate that a transfer of about $25 million from the State Department's FY 1991 budget would be needed to maintain the current financing system for FAAS for FY 1991.

Opening of Post in Kabul, Afghanistan

QUESTION:

You are requesting an increase of $150,000 to establish a post in Kabul, Afghanistan. When would you expect to put this post into operation? What would be its responsibilities?

ANSWER:

In early 1989, the Afghan Resistance was successful in forcing nearly 125,000 Soviet troops to withdraw from Afghanistan. The Soviet-installed regime in Kabul, however, still remains. In the U.S. view, this prevents an end to the war and the emergence of a government truly representative of the Afghan people. For that reason, U.S. military and humanitarian support to the Resistance continues. When a representative government emerges, the U.S. would plan to reestablish normal relations with Afghanistan and USIA would reopen a normal program in Kabul. We anticipate this will happen in FY 1991.

The FY 91 budget includes $150,000 to assist the Agency to move its Afghan program from Peshawar, Pakistan to Kabul when such an eventuality arises. The former American Center in Kabul still exists. It hasn't been used since 1980 and has not been under American upkeep and supervision since January 1989, and it likely will need much renovation. Many of the existing programs with their Afghan staffs in Peshawar can be moved without much difficulty to Kabul. This may also be true of some equipment, materials, and books. It is anticipated that one American officer, at the outset, will be assigned to Kabul. This is likely to be one of the two American officers now in Peshawar. With the anticipated return to Kabul, the USIS operation would be responsible for full USIS cultural and information programs, with initial emphasis on developing media relations and developing new contacts in the fields of higher education and culture with remaining Afghan intellectuals and artists.

Hiring Freeze

QUESTION:

With the budgetary problems that have plagued USIA in recent years, is there now or has there been a hiring freeze?

ANSWER:

The Agency imposed a freeze on all outside hiring on February 1, 1990. Prior to this, on April 24, 1986, the Agency imposed a partial hiring freeze and created a small group of senior officials, chaired by the Deputy Director, to scrutinize each proposed outside hire closely. This committee was in continuous use until the imposition of the total hiring freeze mentioned above.

There are a few exceptions to the current freeze:

-- One Foreign Service junior officer class in 1990.

-- GS-1 through GS-6 positions in one-grade series and at comparable levels in the wage system, due to high turnover in these positions.

-- Positions deemed critical to the continued operation of an Agency activity.

Impact of Foreign Currency Fluctuations

QUESTION:

What has been the impact of the foreign currency fluctuations on the operations and programs of the Agency? Have these fluctuations resulted in any reductions in programming?

ANSWER:

The U.S. dollar strengthened against most foreign currencies between November 30, 1988 and September, 1989 resulting in a projected 1990 net saving of $7.5 million. In light of the fact that USIA's 1990 budget request already contained cuts of $15 million, the Agency proposed to apply the projected currency savings to the 3.6 percent Federal pay raise scheduled for January, 1990, with an estimated 1990 cost of $6.9 million. However, Conference action on the Agency's 1990 Salaries and Expenses appropriation reduced the comparable Senate allowance by $12.5 million, including the full amount of the projected currency savings. Sequestration will remove another $3.5 million. As a result of all these factors and other changes, USIA had to reduce staff and program levels by $28 million in 1990.

Since September, the dollar weakened significantly and USIA now projects a net 1990 loss within the S&E appropriated level of $5.3 million as of January 1990. This amount, plus higher than anticipated costs for overseas wage scales, price and other mandatory requirements of $3.2 million, will require the Agency to effect additional projected reductions of $8.5 million in FY-1990.

USIA Security Requirements

QUESTION:

On page 11-10 of the budget justifications, you state that in FY 1987 and FY 1990 USIA was provided $18,000,000 and $11,000,000 in no-year funds, respectively, for USIA security requirements. What is the status of the projects that were financed with these funds, and how much of these has been obligated?

ANSWER:

Most of the projects funded in FY 1987 have been completed. The remainder are in various stages of construction. As of January 31, 1990, USIA has a remaining unobligated balance of $1.8 million, all of which is fully committed to meet change order contingencies on the pending construction projects.

USIA has received no FY 1990 funds from the Department of State, as yet, despite our requests to the Department of State for timely funds transfer.

Overseas Security Expenses

QUESTION:

Could the $291,892 requested for FY 1991 overseas security expenses be met from these no-year funds?

ANSWER:

No, the funding allocated to USIA from the Department of State is insufficient to meet all our security needs abroad. Moreover, processes involving reprogrammings and funds transfers sometimes cause excessive delays which significantly tie our hands in responding expeditiously to fast-breaking security needs abroad. All financial plans for the use of these monies are screened at the Department of State, and changes to those plans require prior approval at State, which can take up to 10 months. For example, with nearly half of the fiscal year over, we have yet to receive any FY 1990 funds from the Department. In addition, State has not yet made a determination on our request for additional funds in FY 1990 to underwrite the cost of a fully armored car for the Public Affairs Officer in the Philippines. Because of the serious threat situation there, we are using USIA funds to move ahead with this urgent procurement.

The small amount of overseas security funds in the USIA budget request allows us direct management control of some security resources for use in emergencies. In addition, we fund travel costs associated with overseas inspections by USIA security officers to assess the protective posture of Agency facilities and services provided to us by the Department of State.

Application of 1991 Cuts in Exchange Programs

QUESTION:

The budget request for Educational and Cultural Exchange programs is the same level as available for FY 1990. However, a closer look reflects a program reduction of $4,376,000 in order to meet inflationary costs. Is this reduction being applied across-the-board, or on a priority basis?

ANSWER:

The $4,376,000 reduction is applied proportionately to Academic Exchanges (66%), $2,888,000; International Visitors (29.2%), $1,278,000; and Private Sector Programs (4.8%), $210,000. No reduction was applied to the Hubert H. Humphrey Fellowship Program and the Congress-Bundestag Youth Exchange Program.

USIA Book Programs

Question:

The budget request for these activities includes $3,000,000 for the USIA book program. Why should we be assisting the commercial book industry at the same time we are proposing cuts in foreign language broadcasts?

ANSWER:

USIA does not provide subsidies to the U.S. book industry. However, USIA does support the translation of key American books into foreign languages as a way of explaining America's foreign policy and the broad political, economic, and social values that support our institutions.

The bulk of our support ($2,400,000 out of the $3,000,000 total) consists of buying copyright permission from the American rights holders (the average cost is $650 per book), and guarantees to the foreign publishers that the US government will buy back 400 to 1,000 copies of the initial print run. Using this method of operation USIA enabled some 255 titles, totalling 747,900 books to be translated or reprinted into 15 languages in FY 1989. These books were sold to overseas publics through regular commercial channels, but at prices affordable on local markets. USIA uses the buy-back copies in its own programming overseas, through book donations to key institutions such as national libraries and university faculties and in support of our overseas Fulbright, Ampart, and Worldnet programs.

The books we promote are primarily serious, scholarly books that would not be translated and distributed without USIA support. Last year we supported the translation of writers such as Lawrence Klein, Mortimer Adler, Richard Hofstadter, Peter Drucker, John Gaddis, Ronald Dworkin, Robert Dahl, E.S. Savas, and Karl Deutsch.

The remainder of our program works through non-profit organizations to increase the flow of donated books to needy Third World countries, and exhibits of the finest American books available (in our program categories) in book exhibits, international book fairs, libraries and universities throughout the world.

Student Support Services

QUESTION:

The budget justifications indicate you are requesting $2.2 million for student support services to assist the estimated 366,000 foreign students in the U.S. Since most of these students are not sponsored by the government, why is this assistance the responsibility of USIA?

ANSWER:

The same legislation that authorizes the Agency to administer the Fulbright Academic Exchange Program (Mutual Educational and Cultural Exchange Act of 1961) also assigns USIA responsibility to assist non-U.S. Government sponsored foreign students to gain maximum benefit from their U.S. educational experience. Many international students will return home to positions of leadership in their societies, and it is, therefore, in our national interest to help ensure that they have worthwhile experiences while they are here. USIA has encouraged and supported, in close cooperation with private, non-profit organizations, a variety of programs that promote effective educational experiences. Programs assist prospective foreign student in making decisions about their U.S. educational goals and also help ensure that U.S.

campuses and communities properly serve foreign students and Americans wishing to study abroad.

Agency support for these programs over the years has built an infrastructure that facilitates successful implementation of all educational exchange activities, particularly those that are privately funded.

Administrative Costs for Student Support Services

QUESTION:

What is the administrative cost of this assistance, both in funds and positions?

ANSWER:

The assistance the Agency gives non-sponsored foreign students covers a wide range of overseas and domestic programs and services. These help ensure that some 1.6 million foreign students annually have access, in their countries, to accurate, up-to-date information about U.S. higher education, including curriculum, admissions requirements, testing, financial aid, etc. and that U.S. campuses effectively service international students. Of the total program, a staff of 3.2 FTEs, at an annual cost of $138,058, administers a grant program and acquires products and services budgeted at $2.2 million.

Overseas, the grants provide partial support for the operation of private, non-profit organizations and individuals that provide educational advising services in 15 locations (Jordan, Lebanon, Egypt, Syria, Jerusalem, Morocco, Yemen, Tunisia, Hong Kong, Mexico, Nigeria, Kenya, South Africa, Indonesia, and Chile). Products and services include provision of reference materials and equipment and development of videotapes and other specialized handbooks to enable advisers to respond to student inquiries.

In the United States, the grants enable private, non-profit organizations to address assorted concerns in international education, including the proper placement and orientation of foreign students in the U.S., and Americans studying abroad. Through these programs, virtually every U.S. college and university receives information and guidance on such complex matters as international admissions, cross-cultural adjustment, English language training, practical training, and immigration regulations. Support is also available for programs that promote study abroad and a deeper understanding by Americans of other countries and cultures. Substantial cost-sharing and volunteer support make these programs possible.

Radio Marti Program Increases

QUESTION:

You are requesting a program increase of $1,403,487 for radio broadcasting to Cuba. What are the elements of this increase?

ANSWER:

The elements of the program increase are as follows:

Expand broadcasting of live newscasts to 24 hours daily, $453,457. This increase would fund costs of expansion of live newscasts to 24 hours daily from the current 18 hours a day. This will allow Radio Marti to reach listeners with information on important fast-breaking news developments. The increase includes $363,497 for hiring of additional staff and $89,990 for related costs, such as security investigations, office equipment, etc.

Replace production console in main production studio, $50,000. This equipment would provide Radio Marti with greatly needed increased technical capabilities. The current unit is badly outdated.

Acquire alternate frequency and new transmitter site, $900,000. This would allow for the purchase of a station license ($300,000) and a suitable parcel of land on which to build a transmitting station ($600,000). Additional funding will be needed in future years to construct the station.

Increase of Live Newscasts

QUESTION:

Why should we increase the broadcast hours and programming for this service when we are cutting back programming and broadcast hours on the Voice of America?

ANSWER:

Radio Marti broadcasts news and information to the people of Cuba 24 hours per day. The station currently airs 5 to 10 minute live newscasts every half hour from 5:30 a.m. until 11 p.m., with a full 30-minute newscast four times a day. Plans are to extend live newscasts around-the-clock so that Cubans may be kept abreast of important fast-breaking developments around the world and in their own country. Considering the rapid pace at which recent events developed in Eastern Europe and Panama, along with the fact that Radio Marti provides news to Cubans that they are unable to receive from any other source, it is critical that they be able to listen to Marti news at all hours of the day.

Radio Marti Backup Frequency Acquisition

QUESTION:

Why do we need to spend $900,000 for acquisition of an alternate frequency and a new site to build a transmitting station--has Cuba indicated that it plans to jam the Radio Marti broadcast?

ANSWER:

Under the Radio Broadcasting to Cuba Act, the U.S. Information Agency has been assigned the mission of providing for "...the open communication of information and ideas through the use of radio broadcasting to Cuba." Consistent with this mission, Radio Marti has been operating on 1180 kHz under frequency assignments from the National Telecommunications and Information Administration. To ensure that Radio Marti would be able to continue to reach the people of Cuba should Cuban jamming of its broadcasts on 1180 kHz increase significantly, the station requires an alternate frequency that can be tuned in on existing medium frequency receivers available in Cuba.

In recent months the possibility of TV Marti broadcasts to Cuba has prompted Cuban officials to threaten to disrupt Radio Marti broadcasts should TV Marti go on the air.

Status of TV Marti Tests

QUESTION:

What is the status of the TV Marti pilot test? Given the delay in this project, what are the estimated obligations for FY 1990?

ANSWER:

Low-power, low-altitude testing of the aerostat-based VHF TV Marti system at Cape Canaveral has been completed. Full power operational testing will begin in the very near future at Cudjoe Key Air Force Station and may be continued for a period of up to 90 days.

Planned 1990 obligations for the test total $6.6 million, including $1.9 million for the aerostat-based VHF system; $120,000 for the lease of a broadcast frequency; $415,000 for engineering and monitoring support costs; $2.5 million for program production; $94,000 for satellite transmission; $500,000 for salaries, $740,000 for administrative support, and $300,000 for design and preliminary investigation of back-up systems.

Radio Construction

QUESTION:

You are requesting a total of $125,000,000 to continue the VOA Modernization program. What is the status of the Modernization projects?

ANSWER:

1. Morocco - Contracts are underway for the construction of facilities by J.A. Jones Construction Company of Charlotte, North Carolina, fabrication and installation of transmitters and related equipment by Marconi Electronics/Cincinnati Electronics Corporation of Ohio, and installation of a satellite earth station by COMSAT Corporation. These contracts are progressing well with facilities scheduled for completion in early 1991, and transmitter and earth station site work to begin in the fourth quarter of FY 1990. The Morocco station is scheduled for completion in the fourth quarter of FY 1992.

2. Thailand - A contract was awarded for the Thailand project on December 29, 1989, for $14.5 million to Brown and Root U.S.A., of Houston, Texas, for the construction of the relay station facilities. In addition, contracts are progressing well for the fabrication of seven 500 kW shortwave transmitters and the installation of commercial power. The facilities work is scheduled for completion in the third quarter of FY 1991, and the transmitter work will begin during the first quarter of FY 1991. The Thailand station is scheduled for completion in the third quarter of FY 1993.

3. Belize - A contract for construction of the permanent relay station was awarded in 1988, and the Satellite Interconnect System was installed in January 1990. The permanent facility construction is scheduled for completion in the third quarter of FY 1990.

4. Wertachtal - In April 1986, VOA entered into an agreement with the Deutsche Bundespost (DBP) (West German Post and Telecommunication Ministry) for use of four high-powered shortwave transmitters and associated antennas at its Wertachtal, Bavaria facility. In October 1987, DBP began broadcasting VOA programs via the first of four new high-powered transmitters. In April 1988, the second 500 kW transmitter began broadcasting VOA programs and in April 1989, the remaining two high-powered transmitters began broadcasting. On the average, DBP broadcasts 48 hours a day of VOA programs in 17 languages to Eastern Europe, South Asia, the Soviet Union, North Africa, and the Middle East.

5. Liberia Power Plant - On September 28, 1989, a $9.3 million contract was awarded to ENCORP of Cincinnati, Ohio. The work includes the installation of four new 2.5 megawatt diesel engine generators, new mechanical and electrical equipment, and repairs to the power plant building. In January 1990, a $1.0 million contract option was awarded to ENCORP for the renovations to the power plant building. VOA's effort to date has concentrated on detailed equipment design. Mobilization on site and equipment fabrication will begin in the spring of 1990. The refurbished power plant is projected to be operational in mid-1991.

6. Sri Lanka and Botswana Refurbishments - The FY 1991 budget includes $1.3 million for the Architect and Engineering (A/E) design for the refurbishment of Sri Lanka and Botswana. Following the design will be the procurement of major equipment and its installation and contracts for facility construction.

7. Maintenance and Repairs - VOA's continuing maintenance and repairs program attends to the immediate needs of VOA's present broadcast production, transmission, and program administration. The FY 1991 request is for urgent, but relatively smaller scale maintenance, repair, and capital improvement projects that are outside the scope of longer term major construction objectives.

Radio Construction

QUESTION:

How do the actual costs of these projects and completion dates compare with the plan, and how much more will VOA need to complete its modernization program?

ANSWER:

The Morocco, Thailand, and Belize projects are within their respective budgets. The budgets are $225,260,000 for Morocco, $137,483,000 for Thailand, and $20,298,000 for Belize. The additional costs resulting from delays have been absorbed by carefully designed refinements in the projects scope. The Belize permanent facility construction is scheduled for completion in FY 1990.

Unless Section 614 of the 1990 Appropriation Act is repealed and VOA can proceed expeditiously with the award of the antenna subsystem contract, completion dates for Morocco and Thailand will slip from the 4th quarter of FY 1992 to the 2nd quarter of FY 1993 for Morocco and from the 3rd quarter of FY 1993 to the 3rd quarter of FY 1994 for Thailand. To complete these projects, VOA would need $62 million for completion of Morocco and $77 million for completion of Thailand in FY 1991 through FY 1994. These amounts are currently contained in the Administration's request for 1991 and long-range projections for 1992-1994.

VOA's new streamlined strategy for modernization emphasizes refurbishment of existing stations to improve coverage. Even after the new transmitters are on the air in Israel, Morocco, Thailand, Belize, and Germany, the average age of the network will still be over 20 years. Just to keep the transmitters and antennas from aging further, an annual investment of about $75 million will be needed for replacements.

Likewise, maintenance of new and existing facilities needs more attention. The VOA transmitter network would cost over $2 billion to replace, but VOA only spends about $5 million a year on maintenance and repairs. Bringing this amount to $20 million a year would be a realistic compromise between the desirable and the possible.

Radio Construction

QUESTION:

Could these projects be delayed to allow for a study of the future of U.S. international broadcasting and what would be the consequences of such a delay?

ANSWER:

Yes, any project could be delayed or stopped; however, the consequences of such action would be enormous. In addition to delays in completion, there would be a major impact in terms of additional cost, host country relations, and VOA staff retention. To delay the ongoing work of the modernization program at this time would cost tens of millions of dollars. These costs would stem from direct escalation costs and contract delay claims on existing contracts. VOA presently has 17 active contracts with a current dollar value of over $170 million. It is easy to see that any delay in this program would cause a large escalation figure and an inordinate number of contract claims.

The United States has entered into government-to-government agreements with each of the host countries where VOA's new stations are being built and has promised to furnish broadcast facilities to these host countries for their state radio systems. In some cases, this includes turning over the existing VOA relay station where a new relay station is replacing an existing station. In other countries, VOA has promised to broadcast state radio programs from the new relay station. Some of these countries have been waiting patiently for this quid pro quo.

Another consequence of any delay or stoppage, and one which is hard to quantify, would be an exodus of highly trained and sought-after VOA engineering staff that has been assembled over the years specifically for the modernization program. The "corporate knowledge" lost to such an event would take years to rectify and would add to both cost and time to complete VOA's effort to upgrade its radio relay station network.

Radio Construction

QUESTION:

What will be the impact of the Modernization program on VOA's staffing requirements?

ANSWER:

Overall VOA staffing levels have declined over the past few years to be brought more in line with the current streamlined modernization policy and plans. Current levels should be adequate to bring the two new major facilities on line (Morocco and Thailand) and maintain the global broadcasting network.

Radio Construction

QUESTION:

Do you have agreements in countries where modernization projects have been halted, and if so, can the agreements for the use of sites for these projects be cancelled?

ANSWER:

Modernization projects have been terminated in Antigua, Botswana, Grenada, and Sri Lanka. We have agreements in each of these countries. Cancellation would require re-negotiation with the host country governments with varying degrees of complication.

VOA's agreement with Botswana called for the present site to be turned over to the Government of Botswana (GOB). The GOB will allow us to operate at the current site only through March 1995.

Separate VOA Personnel and Administrative Offices

QUESTION:

I understand that the VOA has offices of administration and personnel. I also understand that Radio Broadcasting to Cuba has offices of administration and personnel. Why is it necessary for these organizations to have separate offices for those functions outside of the Agency's Bureau of Management?

ANSWER:

Personnel and administrative management at USIA is organized into separate offices at VOA and Radio Marti for a number of reasons:

Legislation establishing the Radio Marti Program specified that "The Cuba Service shall be administered separately from other Voice of America functions..." (P.L. 98-111, Sec. 4). We believe that this requires separate personnel offices and administrative offices.

The Voice of America faces unique challenges in management of its personnel and administrative operations. These include:

- -- a multi-national workforce with scarce language skills;
- -- several hundred non-U.S. citizens living in the United States with attendant immigration and visa problems, and who are unaccustomed to American management methods;
- -- a seven-day-a-week, round-the-clock operation which requires the attention of administrative personnel on a much more intense level than do normal operations of the Bureau of Management;
- -- the need to provide "real-time" handling of problems that might affect the tight on-air time schedules within which a radio broadcast entity must operate;
- -- a world-wide network of relay station engineers and regional correspondents; and
- -- a highly specialized engineering operation charged with the modernization of broadcast facilities around the globe.

These characteristics are unique in government and within USIA. While we continue to review all administrative operations to effect economies -- and have effected considerable savings in the Management Bureau and in VOA's administrative operations -- we believe that the circumstances warrant separate personnel and administrative offices.

Voice of America Modernization Program Reviews

QUESTION:

You are requesting a program increase of $200,000 and 5 positions for additional staffing for the Office of Inspector General. The justifications indicate that these additional resources are necessary to reduce the backlog of cases of the investigations staff and increase effectiveness and overseas coverage. Has the office of the Inspector General conducted any evaluations or audits of the Voice of America Modernization Program in the last three years? If not, why not?

ANSWER:

The Office of Inspector General has conducted three major evaluations of the Voice of America modernization program because of its sizable budget, importance to the Agency's mission, and concerns about the program's progress raised by the Congress, and union representatives.

An August 26, 1987, classified report titled Status of a Voice of America Relay Station, (I-87-13), presented an assessment of the justification for a new modernization relay station in Quesada, Costa Rica. The report made recommendations to reassess the need for completing the station and for improving its operations. The Voice of America subsequently closed the relay station in 1989.

A March 25, 1988, report titled Review of Voice of America Relay Station Modernization Program (A-88-04) assessed the program's cost, schedule, and status. The report stated that as a result of particularly severe funding constraints, the program had been significantly reduced, and its original objectives may no longer be met. Accordingly, the report recommended that the Voice of America develop an Agency strategy to resolve, with the Office of Management and Budget and the Congress, the appropriate program funding level. The Voice of America agreed with the recommendation and the program was subsequently restructured.

A March 28, 1988, report titled Review of Selected Voice of America Broadcast Renovation Projects (A-88-08) was prepared in response to a letter from Senator Jim Sasser regarding specific union allegations concerning the management of selected

Voice of America headquarters broadcast renovation projects. The Office of Inspector General found that, overall, there was no evidence that actions taken by the Voice of America with respect to the projects constituted wasteful practices or mismanagement.

In addition to specific modernization program reviews, the Office of Inspector General has also completed reviews of activities at the Dixon and Philippines relay stations. Reviews of the Morocco and Thailand relay stations are underway and are expected to be completed in fiscal year 1990.

Backlog

QUESTION:

In what areas are you experiencing backlogs, and which overseas posts need additional coverage?

ANSWER:

OIG has reported on the nature of its staffing shortfalls in its recent Semiannual Reports to Congress and the Agency by identifying and documenting the resources needed to grow as a statutory OIG and to carry out its assigned responsibilities. The shortfall identified was the result of a risk assessment of OIG's activities, operations, and functions in accordance with the requirements of the Federal Managers' Financial Integrity Act. A plan for the acquisition of these resources was developed and documented, projecting a growth in full-time permanent staff from 43 to 83. For FY 89, the plan called for an increase of 12 positions. However, due to the constrained budget environment in the Agency, OIG received approval from the Agency for an increase of seven positions which was subsequently approved by OMB and the Congress. For FY 90, OIG's budget request to the Agency initially included 24 additional positions. This request was scaled back to four by the Agency and subsequently zeroed out by OMB. For FY 91, OIG's request was for 15 additional positions. This request was reduced to five by the Agency and passed on favorably by OMB.

Taking into consideration the staffing increases in FY 89, the five positions requested for FY 91 will increase OIG's staffing level to 55--28 positions short of its goal. However, it represents movement towards resolving OIG's backlog in its audits, inspections, and investigations.

With a staffing level of 55, OIG will be able to inspect overseas posts on an average of once every seven to ten years and complete three to five inspections a year of domestic activities. The requirement for OIG, however, is to inspect overseas posts on an average of once every five years and complete at least six domestic inspections a year.

In addition, OIG will be able to audit 23 grantees and contractors and perform seven high priority audits a year of the Agency's programs and operations. The requirement for OIG is to audit about 40 of its 580 grantees and contractors a year, providing 100 percent coverage over a three to five year cycle of the top 150 grantees and contractors, and complete at least 12 high priority audits. With respect to investigations, a function over which input cannot be planned, OIG currently opens about 60 cases per year and closes about 30 per year. This imbalance adversely effects the timely resolution of investigative matters and, unfortunately, limits productive proactive detection activities and fraud prevention and education programs. The additional positions are needed to improve this imbalance.

Request for Additional Funding for NED

QUESTION:

You are requesting a program increase of $7,525,000 for NED for FY 1991. How can you justify such a large increase for NED when you are proposing program reductions in the educational and cultural affairs programs as well as program reductions for the Agency as a whole?

ANSWER:

NED is a very high priority, as are the Agency's core programs (e.g., VOA, overseas post operations, and exchange programs).

The Agency's initial 1991 estimates to the Office of Management and Budget for NED totalled $25.0 million. NED was granted its full request with the guidance that the increase be focused on Eastern Europe to the extent feasible.

During its brief existence, the Endowment, working with its core grantees -- the National Democratic Institute for International Affairs, the National Republican

Institute for International Affairs, the Free Trade Union Institute and the Center for International Private Enterprise -- as well as a wide array of other voluntary U.S. organizations, has developed ingenious and effective programs in every corner of the globe.

The Endowment's FY 1984 appropriation was $18 million. This level became a ceiling despite the fact that program capacity has grown significantly over six years and the available funding cannot begin to address the accelerating number of deserving requests for support received from countries around the world.

The number of grants awarded by the Endowment increased dramatically from 75 in 1984 to over 200 in 1989. (The number of countries in which the Endowment supported programs has also risen substantially.) As a result, the average size of Endowment grants has decreased significantly, and many projects are being funded at levels that limit their effectiveness.

In short, the Endowment is making more grants and spreading less money over a broader surface. This has also hindered its ability to support new initiatives. Many potentially useful Endowment programs never even reach the proposal stage because the lack of funds discourages program development.

Central and Eastern Europe, of course, are the areas of the most urgent need. Many of those who were once the Endowment's underground collaborators are now in high government positions and are turning to NED for help in establishing the essential institutions of civil society and democratic government. But without additional funding, the Endowment is not in a position to adequately address these needs and those of democrats in many other regions of the world. Programs in Brazil and Mexico, two countries of great importance in Latin America, have been kept to a minimum due to budget constraints. The Endowment's programs in Africa and the Islamic world -- two vital areas in desperate need of the kind of support NED could provide -- have also been minimal. To expand programs in these regions, the Endowment will have to undertake a major program development effort for which additional funds are essential.

With its unique institutional capabilities and proven ability to provide vital democratic assistance openly and consistently, the Endowment can make an essential contribution to addressing these and other critical needs. In a period of tight budgets, NED is also exceedingly cost-effective. The funds needed to allow this vital initiative to fulfill its potential are meager compared to the enormous scope and importance of the issues and the stakes involved. (In this connection it is important to take note of the fact that the West German party foundations together spend more than eight times as much as the Endowment for democratic initiatives abroad.) Funds for NED represent a prudent investment in a safer and more democratic world.

NED Funding from other U.S.G. Agencies

QUESTION:

Does NED or any of its grantees receive funding from other U.S. Government agencies? If so, in what amounts and from which agencies?

ANSWER:

NED has received supplemental funding -- in some instances specifically mandated by Congress -- for special situations (and countries) from the Agency for International Development (A.I.D.) as follows:

-- In 1986, a grant of $211,866 to provide support for a program building democratic institutions in South Africa;

-- In 1987, a grant of $1,000,000 for support of the independent Polish trade union "Solidarity;"

-- In 1987, a grant of $605,000 to continue support for a program building democratic institutions in South Africa;

-- In 1988, a grant of $1,000,000 for the promotion of democratic activities in Chile leading to a transition to democracy;

In 1988, a grant of $1,000,000 for support of the Independent Polish trade union "Solidarity;"

-- In 1988, a grant of $500,000 to continue support for a program building democratic institutions in South Africa;

-- In 1988 and 1989, grants of $2,000,000 and $1,500,000 respectively to provide technical assistance to independent labor, civic, political and media groups in Nicaragua;

-- In 1989, a grant of $1,000,000 to support the Solidarity trade union (through the Free Trade Union Institute) and an additional $1,000,000 to support Solidarity's Social Fund Project;

-- In 1989, a grant of $665,000 to provide continued support for a program building democratic institutions in South Africa;

- In 1989, a grant of $500,000 to provide support to a broad cross-section of democratic civic groups inside Paraguay prior to and after the May 1, 1989 Presidential and Congressional elections;

In 1989, a grant of $330,000 to provide support through a series of subgrants to assist the democratic transition in Poland and a study designed to develop recommendations for a new economic policy for Poland;

In 1989, a grant of $255,000 to provide support through a series of subgrants to assist the democratic transition in Hungary;

In 1989, a grant of $7,435,000 to assist the promotion of democracy and national reconciliation in Nicaragua, primarily through provision of assistance to support free and fair elections; and

In 1990, a grant of $3,433,100 to support democratic initiatives in Poland and Hungary, including $1,500,000 for Solidarity through the Free Trade Union Institute.
Audit of Grantee Organizations

Audit of Grantee Organizations

QUESTION:

Are NED's grantees audited to ascertain if the terms of its grants have been met and that there is accountability for grant funds?

ANSWER:

Each NED grant over $50,000 is required to have an independent audit; smaller grants are audited as needed.

Grantees are required to have either 1) an organization-wide financial statement audit usually conducted annually but not less frequently than every other two years, 2) a financial-related grant audit conducted after the conclusion of the grant, or 3) some other appropriate form of independent verification determined in consultation with the Endowment's Internal Auditor.

Each NED grantee agrees that it will keep all records reasonably necessary to disclose fully the amount and the disposition of funds granted under the terms of the grant agreement and to facilitate an effective audit. Grantee Evaluation

Grantee Evaluation

QUESTION:

How does NED evaluate the effectiveness of its grantee programs, and how does NED determine when to end funding in a particular country?

ANSWER:

NED determines the effectiveness of its grantees' programs by carefully monitoring their progress as well as through a formal evaluation process.

The Endowment requires quarterly progress reports, both programmatic and financial, on all of its grant programs. In addition, members of the Endowment staff consult regularly with grantees as to the status of their programs.

Monitoring a program's progress by Endowment staff includes regular reviews of materials produced (e.g. videos, publications) as well as consultations with grantees and governmental and nongovernmental outside experts. Additionally, Endowment staff make periodic on-site visits to verify information provided by grantees in written reports, as well as to consult with the U.S. Embassy.

The Endowment also requires grantees to submit a final report which contains a program evaluation. Each foreign recipient of NED funds is expected to develop an approach for self-evaluation appropriate to its own programs, goals and organizational structure. Steps are taken to verify information provided in final evaluations through consultations with participants in programs (seminars, training sessions, etc.) and outside review by experts and observers of NED-supported programs.

U.S. grantees also contribute their own program evaluations focusing on their experience with and observations of the performance of the foreign group. After assessing the evaluation submission, the Endowment makes a determination as to whether its own independent evaluation is warranted. This would incorporate NED's direct experience with the grantees, supplemented by on-site consultations/observations, oral and written reports of grantees, as well as consultations with participants in the program and governmental and nongovernmental observers.

The Endowment periodically convenes meetings of experts to assist in the review of programs within a particular country or region. Past meetings have focused on Endowment programs in Eastern Europe and the Soviet Union, Latin America and Africa.

The Endowment Board of Directors, which has the final authority to determine the value of any program, may rely on the advice and observations of the Endowment and institute staffs, as well as other outside sources with whom they may choose to consult.

The question of when it is appropriate to end funding is closely related to the particular state of democratic development in a given country. As the transition is made in a given society toward more (or less) democratic rule, Endowment programs are adapted appropriately. Once a country has completely established a stable democracy, funding for programs is phased out.

Evaluation of Programs

QUESTION:

NED has been in business about six years. Has NED or the USIA IG performed any evaluations of its programs, and if so, what were the results?

ANSWER:

The USIA/IG audited NED's administrative activities for fiscal years 1984 and 1985. In its report, issued March 12, 1987, the IG addressed the Endowment's need to improve monitoring of its grantees to ensure proper control over the accounting of funds and reporting responsibilities. Measures were subsequently taken to incorporate the IG'S recommendations into Endowment procedures.

Responding to allegations that NED might be linked in some way to the Iran/Contra affair, the IG initiated a review in 1987 of the use of Endowment funds by selected grantees working in Latin America.

The IG found no evidence that any of the funds provided by the Endowment to these grantees or their subgrantees were being used or planned to be used for matters related to the Iran/Contra affair.

The General Accounting Office (GAO) periodically conducts audits of NED as requested by Congress. In response to a February, 1985 Congressional request, the GAO reviewed the NED's procedures for selecting, monitoring, and evaluating its grantee programs and issued a report dated September 24, 1986. Currently, the General Accounting Office is conducting a review to evaluate the Endowment's: 1) programs and operation, 2) effectiveness in fulfilling its goals, and 3) management structure, including an assessment of the present composition of the Board of Directors and the capability and effectiveness of the Board in providing objective oversight of NED programs and operations.

J-1 Visa Program

QUESTION:

In a recent report, GAO found significant deficiencies in USIA's administration of the J-1 Visa program. What action do you plan, to respond to the GAO report which found inappropriate activities, deficient regulations, and inadequate management of the program?

ANSWER:

The Agency plans to take the following actions:

-- The regulations governing the J programs need to be reviewed and rewritten in much more specific terms. This is being done. A group of USIA program specialists and lawyers is being formed in order to produce definitive regulations that are more consistent with the original legislation. The Director has advised the group that these regulations should be produced promptly and where appropriate be made available for public comment.

-- This Agency considers its monitoring requirements of the exchange visitor program to be a high priority. To this end, the funding will be consistently adequate to keep USIA's data base up-to-date with accurate, retrievable information.

-- In addition to the computer system, we plan to further increase the recently augmented exchange visitor staff with program specialists. This staff will devote their full attention to all the deficiencies brought to light by the GAO report.

-- We believe that any lack of coordination during the past several years between the Agency, the Departments of State and Labor and the Immigration and Naturalization Service no longer exists. We are working closely with all relevant elements of these agencies and expect that they, too, will be mindful of the need to coordinate all issues in this area before public dissemination.

Questions Submitted by Congressman Alexander

TV Marti

QUESTION:

What is the status of the TV Marti testing program?

ANSWER:

Low-power, low-altitude testing of the aerostat-based VHF TV Marti system at Cape Canaveral has been completed. Full power operational testing will begin in the very near future at Cudjoe Key Air Force Station and may be continued for a period of up to 90 days. All design, integration, testing, installation and operational costs of the TV Marti system are included in a contract with the General Electric Company, and total $2.3 million.

TV Marti

QUESTION:

It is my understanding that USIA has experienced a problem or problems with the aerostat intended for use in the test.

a. Please describe the problem(s).

b. What is the estimated cost of correcting the problem(s).

ANSWER:

The aerostat to be used as a platform for TV Marti test transmissions is provided by the Air Force as part of the Department of Defense support for TV Marti requested by Congress.

We understand that a seam ripped during an inflation test of the aerostat that originally was to be used for these tests. However, since the Air Force has responsibility for the aerostat, we do not know the cost of its repair.

The aerostat we will use for the tests at Cudjoe Key will be a new one also owned and operated by the Air Force. Thus far, no major problems have been encountered.

Compensation for Interference From TV Marti

QUESTION:

The House passed an authorization for TV Marti which included provision for use of a small amount of money for compensating U.S. domestic broadcasters who experience interference either from TV Marti operations or from retaliatory interference from the Cubans.

a. Does the Administration take any position, in support or opposition, to compensation for U.S. domestic broadcasters who are subjected to interference?

b. If the Administration opposes such compensation, what is the basis for such opposition?

ANSWER:

The House provision authorizing $5 million for payment of interference claims was deleted in conference action on H.R. 1487. The Administration supported that action. However, the Administration does not oppose compensation for interference claims, per se, as evidenced by the 1987 supplemental request for appropriations for compensation claims for domestic broadcasters in conjunction with Radio Marti operations. But it is not Administration policy to plan for these claims in advance.

TV Marti Test

QUESTION:

On January 5, 1990, the National Association of Broadcasters (NAB) wrote to USIA requesting permission to participate in the evaluation team assessing the technical feasibility of the proposed TV Marti broadcasting system. On January 17, 1990, USIA denied NAB that permission. The USIA response did not provide any legal, technical or economic reason for that decision.

a. Please provide the Subcommittee with a clear and concise statement as to why the NAB was denied permission to participate in the evaluation team.

b. Will the evaluation team include any person, group, organization or other entity that is not a United States Government entity?

c. If the response to "b" above is affirmative, please identify each person, group, organization or other entity by name and address and provide a clear and concise statement of the basis for the inclusion of each in the evaluation team.

ANSWER:

a. The interagency task force for TV Marti includes representatives from VOA, USIA, FCC, the National Telecommunications and Information Administration, and the State and Defense Departments. We believe this group will produce a fair and comprehensive evaluation of the test, which will then be presented to the President. Once we have completed the tests and evaluated the data, the results will be shared with the NAB and the general public.

b. The evaluation team includes two private entities under contract to the Government for the duration of the TV Marti test program.

c. Hammett and Edison, Inc., of San Francisco, CA. Hammett and Edison were contracted by USIA to provide specialized engineering consulting services for the TV Marti Program.

General Electric Co. of Melbourne, FL. General Electric is the prime contractor for the design, fabrication, and operational testing of the TV Marti broadcast system.

Questions Submitted by Congressman Early

Reductions in Overseas Missions

QUESTION:

With respect to overseas missions, what criteria were used to determine the size of the cut to be taken in the various geographic areas?

ANSWER:

We think that USIS foreign service officers at our overseas missions carry out our most important function -- direct, substantive, and sustained contact with opinion leaders in other countries. For that reason, we attempted, to the degree possible, to shelter our overseas operations in taking these 1990 reductions; their cut represented 1.1 percent of their 1990 operating base.

This 1.1 percent reduction was basically assessed across-the-board. However, we did make two adjustments; the cut in our African posts was reduced slightly, because of small operating bases at most of our posts there, and the cut in Eastern Europe was reduced because of that area's current strategic importance.

Relative Priority of TV Marti

QUESTION:

While most of your organizational elements are taking reductions, I see that there is a substantial increase in the number of positions for TV Marti. Is TV Marti a higher priority than USIA's other program areas, such as East Europe and the Soviet Union?

ANSWER:

TV Marti is a very high priority for USIA. So too are the Agency's core programs (e.g., VOA, overseas post operations, exchange programs, and television services). It is through such programs that we respond to developments in Eastern Europe. The overall Agency request represents inevitable tradeoffs that must be made when operating in a tight budget environment. Given the importance of TV Marti and its strong Administration and Congressional support, its needs were effectively fully funded in the 1991 request.

Effects of Section 614

QUESTION:

What would be the effect on USIA operations if Section 614 were not repealed?

ANSWER:

If Section 614 is not repealed, Agency operations will be severely restricted. Specifically:

-- The Agency will not be able to reimburse the Department of State for the added costs of administrative support services scheduled to take effect in FY 1990.

-- The Voice of America's facility modernization program would be held to $57.5 million or 16 percent below the $68.2 million approved in the 1990 Appropriations Act. This would result in serious and costly delays in the construction of a new relay station in Thailand.

-- Funding for television broadcasting to Cuba, which would be cut 53 percent, would be totally inadequate to sustain its projected 1990 operations.

-- Increased academic exchange and international visitor programs would go unfunded, making it difficult to address new exchange program requirements in Eastern Europe.

1991 Budget Allowance

QUESTION:

The budget justifications indicate that the USIA will have to take reductions totalling $15.2 million in order to meet the FY 91 budget allowance of $986.7 million. How was this allowance determined?

ANSWER:

The Agency's original budget request to the Office of Management and Budget totalled $1,065.8 million. As a result of the budget review and final settlement, the USIA allowance was revised to $986.7 million, including $5.2 million to partially cover the 1991 Federal pay increase.

Impact of 1991 Reductions

QUESTION:

Where will these reductions be taken and what impact will they have on these program areas?

ANSWER:

These reductions will occur primarily in the Salaries and Expenses ($10.3 million) and Educational and Cultural Exchanges ($4.4 million) appropriation accounts, and include:

-- In our overseas operations, reductions totalling $4.0 million. This would involve curtailment of USIS program activities and the elimination of 77 positions, including 22 Americans and 55 foreign nationals.

-- Originally, cuts of $3.3 million were planned in the Voice of America. On reflection, we think that the adverse impact of such cuts on VOA broadcasts would be highly undesirable. Consequently, we are now developing a proposal to transfer funds from the Radio Construction appropriation to mitigate VOA cuts.

-- In the Agency's domestic structure supporting overseas operations, reductions of $3.0 million and 31 positions throughout the range of program and administrative services.

-- To accommodate the costs of inflation in the exchange-of-persons program and the East-West Center, curtailment of $4.3 million in exchange programs -- including $2.9 million in academic exchange programs, $1.2 million in the international visitor program, and $.2 million in private sector programs -- and a cut of $.6 million in the programs of the East-West Center.

Budget Reduction Process

QUESTION:

What process or criteria are being used to determine where these reductions will be taken?

ANSWER:

The recommended distribution of USIA's 1991 reductions was made by the Agency's Finance Committee, a group of senior level officials from all major Agency elements, and approved by the Director. In the Salaries and Expenses appropriation, given the disproportionately high level of reductions in the domestic elements in 1989 and 1990, the Committee felt that for 1991, an across-the-board reduction was the most prudent method of attempting to maintain a balanced public diplomacy program in the face of a declining resource base. This assessment may change later in the year, as the Agency reacts to fast-moving events in Eastern Europe and around the world, and the distribution of these cuts may be modified.

The reduction to the Educational and Cultural Exchange Programs Appropriation was applied proportionately to Academic Exchanges, International Visitors, and Private Sector Programs. However, no reduction was applied to the Humphrey Fellowship Program or the Congress-Bundestag Youth Exchange Program.

Festival of American Music in the USSR

QUESTION:

The FY 90 Appropriation bill included funds for a U.S./Soviet cultural exchange -- the "Making Music Festival." How much is the Agency allocating for this activity and what is its status?

ANSWER:

The idea of holding a major festival of American Music in the USSR is a good one. "Making Music Together", as originally conceived by Sarah Caldwell, represented an outstanding concept for such a festival. Intended to be launched in the fall of 1989, that project has now been delayed -- probably until fall 1990 -- by the organizers' inability to raise adequate private funding.

Although prepared to make a reasonable contribution to support the groups participating in this important project, USIA does not believe it can be adequately funded from public monies alone; or that it should be. Even the $1,000,000, recommended as USIA support within the Senate's FY 1990 Salaries and Expenses recommendation, would not pay for the sort of festival Ms. Caldwell originally conceived. (The reductions imposed by Appropriations Conference Committee action and subsequent sequestration decreased the Senate amount for USIA's FY 1990 S&E account by $16 million, necessitated significant program cuts and greatly impaired USIA's ability to fund the music festival at the recommended level. Various options are under review.)

We understand that there are serious concerns on the Soviet side about how delays and changes of plan may affect the Festival. We are working with Ms. Caldwell to obtain more information about her proposed budget and plans. Unless these issues of funding and organization can be resolved soon, we consider it unlikely that the Festival can take place even as early as the fall of 1990.

Inflation Allowance

QUESTION:

What is the inflation allowance in your request for domestic operations? Overseas operations?

ANSWER:

The budget justification for Salaries and Expenses and Educational and Cultural Exchanges forecasts an overall (domestic and overseas) inflation rate of 3.5 percent. Of course, if actual inflation is greater than our projection, we will be faced with a problem in 1991.

Foreign National Wage Increases

QUESTION:

The budget request assumes a fiscal year 1991 pay raise of 3.5 percent. It also assumes foreign national wage increases. What is the estimated percentage increase for foreign nationals?

ANSWER:

We estimate that increases for foreign national wage scales will total $6.2 million in 1991. This represents a 7.5 percent increase over the 1991 base. These increases, established by the Department of State, permit the United States to maintain comparability with prevailing wage scales paid overseas.

Overseas Post Closings

QUESTION:

Do you anticipate having to close any posts or facilities in either FY 90 or FY 91?

ANSWER:

The pending budget request does not project any post closings in either fiscal year.

Funding for Eastern Europe and the Soviet Union

QUESTION:

Given recent events in Eastern Europe and the Soviet Union, are you considering any major changes in the Agency's programs and activities? In the Agency's allocation of resources?

ANSWER:

The new requirements in Eastern Europe and the Soviet Union represent a high priority for the Agency. The Agency will continue to utilize its core programs -- overseas missions, the Voice of America and educational and cultural exchange programs -- for coverage of the events in Eastern Europe and the Soviet Union.

We have a significant expansion in traditional Fulbright academic exchanges. We have developed draft agreements for Fulbright Commissions and exchange offices in Budapest, Warsaw, and Moscow. We are administering multiple components of the President's Eastern European Initiative in a broad new program to provide a rapid response to the fast-breaking events there. Finally, the Bureau administers the recently established, Congressionally-mandated Samantha Smith Memorial Exchange Program for youth and undergraduate students in the Soviet Union and East Europe. The number of proposals submitted by private sector organizations for the limited funding for this program has quadrupled since last year.

There has been a significant increase in staff time devoted to developing and negotiating exchange proposals and new initiatives, responding to the high volume of inquiries about new exchange opportunities, and negotiating with and supervising the contract agencies implementing these exchanges.

In the International Visitors Program, there has been a significant increase in workload, as the number of visitors from the region will probably double as the changes continue and stabilize. In Washington there has been no increase in staff to cope with this dramatic expansion of work.

The Voice of America has opened bureaus in Moscow and Warsaw to improve coverage, increased the travel of correspondents, and initiated a cooperative English-Polish language newscast with Polish Radio.

In January of 1990, the USIA library in Prague had more than 7,000 visitors compared with only about 2,000 a year earlier. The Embassy is inundated with requests for English teaching, cultural and academic exchanges, and programs on democracy and free-market economics.

In East Berlin, both library audiences and use of materials have grown exponentially. The post is increasing its library outreach activities and computerizing its collection lists. As mandatory Russian study has ended, demand for more English teaching has exploded. We are recommending five grants for teacher trainers and curriculum developers for summer seminars. Doubling distribution of English Teaching Forum is also planned over the next two years.

The US-GDR Fulbright agreement is to be renegotiated, to allow more exchanges in both directions. There is a big demand for student counselling information from GDR citizens interested in study programs in the U.S. Wireless File distribution has gone from once to three times a week.

At our posts in the USSR, the improved climate of bilateral relations, the implementation of new Soviet policies which encourage openness as an instrument in restructuring Soviet society along democratic lines, and the introduction of new communications technology which makes possible dramatically expanded contacts between the two publics, have helped to create what is now one of the Agency's largest and most complex country programs.

We are redirecting $5.3 million toward these programs in 1990, and are receiving an additional $2.9 million from AID for a total 1990 program initiative of $8.2 million. We believe that the opportunities exist to do a great deal more, and we will strive to do so in this tight budget situation.

Poland Cultural Center

QUESTION:

Last year, you indicated that an agreement in principle had been reached with Poland to open cultural centers and initiate educational exchanges. Bring us up to date on what's happening in this area.

What is the status of the new cultural facility in Warsaw?

ANSWER:

In July, 1989, Secretary of State Baker signed an agreement in Warsaw calling for the reciprocal establishment of cultural centers. The U.S. Embassy in Warsaw has worked with Polish officials to identify a suitable site for the center, which will house a USIS library, English-teaching program, and serve as a focal point for other USIA cultural and exchange activities. After a long search, a site was proposed in January by the Warsaw Municipality for consideration as the USIS Cultural Center. We are reviewing the blueprints for the building and will send an architect to Warsaw to inspect the premises. We hope that we will be able to open an American cultural center before the end of 1990. Under the terms of the agreement, the establishment of a Polish Cultural Center in the United States is the responsibility of the Government of Poland.

We have had educational exchanges with Poland for many years. The only new element is the proposed establishment of a binational educational exchanges office to streamline the processing and expand the range of educational exchanges now handled bilaterally under the Fulbright program. This agreement has not yet been completed, but we hope to resolve any remaining differences in the very near future.

New Cultural Facility in the Soviet Union

QUESTION:

What is the status of the proposed new cultural facility in the Soviet Union?

ANSWER:

Formal negotiations on an agreement to establish reciprocal culture and information centers in Moscow and Washington, D.C., began in May 1989. Seven rounds of negotiations have been held since then, and the eighth round is anticipated for mid-March. During the September ministerial meeting in Wyoming, Secretary Baker and Soviet Foreign Minister Shevardnadze agreed in principle to the establishment of the centers in their respective capitals. Both sides hope that a written agreement will be ready for signature at the June US-USSR Summit. In fact, Foreign Minister Shevardnadze incorrectly informed the press just after his February meeting in Moscow with Secretary Baker that agreement on a text had already been reached.

This is not the case. There are a number of major issues yet to be resolved. These were reviewed in detail on February 27 in a meeting between the Soviet and U.S. negotiators and other members of the joint USIA-State working group tasked with developing recommendations on U.S. negotiating positions.

We believe, however, that with hard work and goodwill on both sides, agreement is possible by June. USIA is actively pursuing this goal.

Budget Priorities

QUESTION:

What are the highest priorities in your FY 91 budget request?

ANSWER:

The Agency's highest priorities remain its core programs -- overseas missions, the Voice of America, educational and cultural exchange programs, and television services. For 1991, after four years of substantial staff and program reductions, our highest priority will be trying to avoid further erosion of these core programs to the degree possible, and at the same, responding effectively to the unprecedented opportunities arising in the Soviet Union, Eastern Europe, Panama, Nicaragua, and South Africa.

Additional Funding

QUESTION:

For purposes of discussion, let's assume that additional funds, over the budget request, were available. What would be USIA's highest priorities and why?

ANSWER:

Should additional resources become available, we would plan to restore the reductions we currently anticipate in our core programs in the Salaries and Expenses and Exchanges appropriations. In addition, the climate of openness in Eastern Europe and the USSR has created myriad opportunities that the current restrictive resource situation does not allow us to address; we would certainly devote additional resources to that area and to Panama, Nicaragua, and South Africa.

The Agency's program has been seriously eroded by four years of significant reductions. Marginal activities have been dropped. Thus, we place great importance on maintaining the programs that remain. In particular, we would require $15.2 million to:

-- Retain selected USIS activities at our posts around the globe totalling $4.0 million, including library operations, english teaching activities, magazines, information placement activities, and other activities. We would retain 77 positions (22 Americans and 55 foreign nationals) now scheduled for elimination.

-- In the Voice of America, obviate the need to reduce the weekly broadcast schedule and weaken the overall quality of our broadcasts. We have contacted OMB, and we are now developing a proposal to transfer funds from the Radio Construction appropriation to keep VOA's broadcast hours at their current number and maintain overall quality.

-- Keep the Agency's domestic structure supporting overseas operations at current levels throughout the range of program and administrative services, including the retention of 31 positions.

- Offset the need for reductions in the exchange-of-persons programs ($4.3 million, including $2.9 million in academic exchange programs, $1.2 million in the international visitor program, and $.2 million in private sector programs) and the East-West Center ($.6 million).

- For the Voice of America's radio modernization effort, this restoration would avoid adverse delays in construction of new facilities that the Agency had accommodated in its 1991 request.

In Eastern Europe, we have made a solid start in Hungary and Poland, but we should move quickly to reach out to meet unprecedented opportunities in Czechoslovakia, Romania, Bulgaria, East Germany and the Soviet Union. There is a need for new cultural centers in Prague, Bratislava and Leipzig or Dresden. Such centers, enhanced exchange programs, and tailored print, radio and television programs will bring to these newly-opened societies the ideas and practical applications of democracy, a market economy, the workings of free media and the vitality of freedom of expression.

In Panama, Nicaragua, and South Africa, too, new opportunities beckon, particularly in the educational and cultural exchange area.

Questions Submitted by Congressman Carr

USIA Programs with China

QUESTION:

What is the status of USIA programs with China? What programs have been "on hold"?

ANSWER:

High-profile cultural programs with China are "on hold," as USIA considers it inappropriate to co-sponsor major exhibits or tours by performing artists in the current climate. In the area of academic exchanges, however, USIA has not put any programs "on hold." We are continuing to carry out academic exchanges with China whenever possible. We believe that our best hope for influencing the course of developments in China is through broadly based contacts with the Chinese people. Exchange programs, such as the Fulbright and International Visitor programs and private sector exchanges supported by USIA, help to keep the Chinese people in touch with the outside world. By supporting academic exchanges with China we are supporting the forces that will, in the long term, bring reform and openness to China.

The Fulbright Program with China for the 1989 - 1990 academic year was suspended by the Chinese side in August of last year. The program for 1990 - 1991 is currently being negotiated and we expect to have a program, albeit a somewhat smaller program than in 1988 - 1989. We have had problems maintaining the International Visitor Program at previous levels because many of those we would like to invite are unable to travel to the U.S. during the current period of strained relations. We will continue to invite younger current and future leaders from China as International Visitors in the hope that some of them will be able to come -- to see the U.S. for themselves and to meet with the American people.

Feasibility of TV Marti

QUESTION:

Under the authorization for TV Marti, the President must certify to Congress that TV Marti is both feasible and will not create objectionable interference for domestic television broadcasters. How does USIA define "feasible"? I understand that while we will spend approximately $40 million by the conclusion of FY '90 on TV Marti, the Cuban government can block the signal with an expenditure of under $300,000. Does this calculation enter into the definition of what is a "feasible" signal?

ANSWER:

Feasibility means "can we do it" and "can we do it without harmful interference". The President will determine feasibility based on advice of expert Federal agencies. The responsibility of USIA and the TV Marti Interagency Task Force is to provide a test report to the President which will include evaluations of the signal the TV Marti system can deliver, results of any domestic or foreign interference measured or observed, and cost calculations. The President will also receive reports of any attempts by Cuba to block or jam the TV Marti operational test. We believe Cuba has the technical capacity to jam a TV Marti VHF signal. The cost of jamming would, however depend on the scope of any jamming effort mounted by the Cuban government. Congress has appropriated $7.5 million for the operational test of the TV Marti system. Release of $15.9 million for permanent operations in 1990 and $18.1 million requested for FY-1991 is contingent upon Presidential certification of feasibility. The $15.9 million in 1990 is also dependent on the repeal of Section 614 of the Agency's 1990 Appropriations Act.

TV Marti Back-Up Systems

QUESTION:

Regarding TV Marti, does USIA have a back-up transmission system in case the weather patterns in the Caribbean region cause disruption in service? What testing has been done and what is the expected cost of testing?

ANSWER:

We are investigating the feasibility of using an aircraft-mounted transmission system as a back-up or alternative to the aerostat-based system. A contract for the design of an aircraft-mounted system is imminent.

Exchanges with Eastern and Western Europe

QUESTION:

How much funding is available for USIA exchange programs with Eastern and Western Europe? Is this an increase or a decrease? Do you anticipate an increase in certain programs for these regions?

ANSWER:

In FY 1990, a total of $18.4 million is available for academic and IV exchanges in the Soviet Union and East Europe, an increase of $3.1 million over 1989. This increase consists of $1.7 million to enhance programs in Eastern Europe and $1.4 million to cover inflationary cost increases and other built-in program requirements. The program enhancements will implement the President's Eastern European Initiative in recognition of the recent changes being made in the region to establish more democratic political and social structures and competitive economic systems. The enhanced programs include:

-- the Alexander Hamilton Program in Business Management, providing young business leaders from Eastern Europe with an opportunity to study at an American university, accompanied by an internship with an American business organization, and providing emerging business schools in Eastern Europe with American consultants and lecturers;

-- the John Marshall Program, providing scholarships for East Europeans in law, political science and public policy, as well as bring American professors to lecture and consult with East European universities and legislative organizations; and,

-- Independent Media Program which will offer training and internships to young journalists to introduce them to the practices and policies of the U. S. news media, within the context of the American culture, society, and political system.

In addition to these initiatives, the Agency plans to expand the Humphrey Fellowship Program in 1990 to include Poland, Czechoslovakia, Bulgaria, and Hungary, and to initiate secondary teacher exchange programs in Czechoslovakia and East Germany.

The Support for East European Democracy (SEED) Act also provides additional funding, through AID, to expand USIA exchange programs in this region.

In 1991, a total of $19.1 million is requested to maintain academic and IV exchanges in the Soviet Union and East Europe, an increase of $0.7 million over 1990. This increase is requested to cover mandatory cost increases.

In FY 1990, $25.6 million is available for academic and international visitor (IV) exchange programs in West Europe, an increase of $1.4 million over 1989. This increase is required to cover projected inflationary cost increases. In FY 1991, a total of $26.1 million is requested for West Europe exchanges, an increase of $0.5 million over 1990. Since this increase will be insufficient to fully fund projected inflationary cost increases of $1.2 million, reallocations from other programs of $0.7 million will be necessary.

Questions Submitted by Congressman Rogers

TV Marti - Aerostat Damage

QUESTION:

It is my understanding that the aerostat to be used for TV Marti was damaged or destroyed recently. Can you explain how the damage occurred?

ANSWER:

The aerostat to be used as a platform for TV Marti test transmissions is provided by the Air Force as part of the Department of Defense support for TV Marti requested by Congress. We understand that a seam ripped during an inflation test of the aerostat that originally was to be used for these tests. However, since the Air Force has responsibility for the aerostat, we do not know the cost of its repair.

The aerostat we will use for the tests at Cudjoe Key will be a new one also owned and operated by the Air Force. Thus far, no major problems have been encountered.

Aerostat Repair or Replacement

QUESTION:

What is the estimated cost of repairing or replacing the aerostat?

ANSWER:

As mentioned in the previous answer, the Air Force has responsibility for the maintenance of the aerostat, and USIA does not have information on repair or replacement costs.

TV Marti Testing

QUESTION:

The FY91 justifications state that testing will be completed in the Spring of 1990. Is that still a realistic goal?

ANSWER:

Yes, we expect to complete operational testing of the aerostat-based VHF TV Marti system this spring.

TV Marti Testing Schedule

QUESTION:

Provide the current testing schedule for TV Marti, including specific dates, locations, and associated costs.

ANSWER:

Low-power, low-altitude testing of the aerostat-based VHF TV Marti system at Cape Canaveral has been completed. Full power operational testing will begin in the very near future at Cudjoe Key Air Force Station and may be continued for a period of up to 90 days. All design, integration, testing, installation and operational costs of the TV Marti system are included in a contract with the General Electric Company, and total $2.3 million.

TV Marti Testing

QUESTION:

Describe how the testing will be conducted, including whether and when "full power" testing will occur.

ANSWER:

We plan to conduct a full-power broadcast test of the VHF TV Marti system transmitting from a tethered aerostat at Cudjoe Key Air Force Station in Florida. Low-power, low-altitude tests have been completed. We expect to be ready for the start of full-power testing in the very near future.

Impact of Test Delay

QUESTION:

If testing is delayed, how will the delay impact on planned operations of TV Marti?

ANSWER:

TV Marti permanent operations will not be started until testing is completed and the President has certified feasibility. Because a television production company is now under contract to USIA to produce certain programming for the operational test by a certain date, we may incur additional costs if testing is delayed.

Status of Appropriations and Obligations

QUESTION:

Please provide the status of appropriations to date, including amounts obligated.

ANSWER:

Status of Appropriations - The Congress appropriated $7.5 million for the TV Marti test in 1989, of which $1.5 million was obligated in 1989, leaving $6.0 million in carryover for the test in 1990. An additional $15.9 million has been made available in the 1990 Appropriations Act, although the Agency is limited to spending at the 1989 rate by Section 614 of the Act.

Obligations - As noted above, a total of $1.5 million was obligated in 1989. Planned 1990 obligations for the test total $6.6 million, including $1.9 million for the aerostat-based VHF system; $120,000 for the lease of a broadcast frequency; $415,000 for engineering and monitoring support costs; $2.5 million for program production; $94,000 for satellite transmission; $500,000 for salaries, $740,000 for administrative support, and $300,000 for design and preliminary investigation of back-up systems.

Seville/Genoa Expo 92

QUESTION:

Please outline the planned financing for the Seville and Genoa activities, including federal and non-federal sources.

ANSWER:

The Administration has determined that sufficient funds should be raised from the private sector to match federal spending for U.S. participation in the Seville and Genoa expositions. USIA has estimated the minimum federal funding necessary for these projects to be $13 million for Seville, where we must build our own pavilion, and $1.5 million for Genoa, where exhibit space is being provided. The federal funds will be supplemented by cash and in-kind donations of $20.4 million from U.S. states, cities and corporations. An estimated $8.8 million can be raised from space rentals from state, city and corporate exhibitors; these funds will be used to construct the pavilion in Seville. A fundraising campaign is underway to raise these funds. An additional $11.6 million of in-kind value from exhibitions built and operated by states, cities, and corporations is estimated.

Seville Expo 92

QUESTION:

Why should the United States government participate in the Seville exposition?

ANSWER:

Seville Expo 92 should be viewed as more than just "another world's fair" to the United States. Expo 92 is a serious international competition for shares of a giant market that is just now awakening.

The year of the Seville Expo, 1992, is the target date for economic integration of the European Community. Over one hundred countries, including all EC nations, will participate. Events in Europe in 1992 will be instrumental in shaping America's trade policies and testing our ability to compete in world markets in the year 2000 and beyond.

Expo 92 is an opportunity for the United States to promote trade, tourism and investment to the 320 million-person European market and to demonstrate to Spain, Italy and the other nations of Western and Eastern Europe that we are a viable economic and political model. The USG is a very real and full partner in the EC. Our participation is crucial to establish this fact in an important way. Furthermore, full USG participation is needed to get the required private sector commitment. The current uncertainty shown by the USG has already resulted in the loss of $5 million from a major corporation who withdrew when hearing that the USG might not participate.

In addition, Expo 92 celebrates the 500th anniversary of Columbus's discovery of America, an event of obvious significance to the United States, both in Europe and the Western Hemisphere. All of the major countries of the Americas will be present at Seville. If we are to affirm our common historical heritage with our American neighbors, it is clear that we must participate in Expo 92.

Seville Expo 92

QUESTION:

What kinds of funding and in-kind commitments currently exist from non-federal sources? How much has the project in-hand from these sources now?

ANSWER:

Non-federal pledges as of March 1, 1990 are as follows:

	Cash	In-kind
U.S. Sprint	$ 750,000	$ 500,000
Coca Cola	300,000	--
Am. Plywood Assoc.	400,000	600,000
California	2,400,000	3,600,000
Kansas City	400,000	600,000
South Carolina	400,000	600,000
Total	4,650,000	5,900,000

Other interested prospects include NASA and the National Air and Space Museum, which are seeking corporate underwriters for rental of space in the U.S. Pavilion; and the states of Alaska, Hawaii, Illinois, New York and Texas.

Seville Expo

QUESTION:

What can you tell us about the potential residual uses of the pavilion to be constructed?

ANSWER:

An alternative to dismantlement and salvage is making the Pavilion a permanent part of an educational/research park, similar to the Research Triangle in Raleigh/Durham, North Carolina. The planned park will use up to one third of the buildings being erected for Expo 92. USIA will seek other potential residual users for the pavilion, such as a U.S. based corporation with interests in Spain or a consortium of American universities with programs in Seville.

California is considering permanent use of its 12,000 square foot building within the U.S. complex as a California Trade Center and an extension campus of the University of California.

Seville Expo 92

QUESTION:

What would be the impact of the U.S. Government not participating in this event?

ANSWER:

U.S. absence from Expo 92 would signal our diminished leadership and involvement in European affairs and call into question our commitment to compete internationally.

The planned full economic integration of the European community in 1992 increases the importance of the Seville/Genoa Expos. These events are not a frivolous undertaking -- they are a deadly serious competition for a giant market. Thus, our absence coincidental with the integration of the European Economic Community and the democratization of Eastern Europe would abdicate the U.S. leadership role and harm our trade and economic interests.

All major nations of the Western Hemisphere will be present at Seville. If the U.S. were the only nation in the region not participating in an event that commemorates the 500th anniversary of the exploration of the "new world," it would create the perception of declining U.S. interest and influence in the region.

The Spanish attach great significance to U.S. presence at the Seville Expo and believe that nonparticipation will tarnish the event. This would have a very negative effect on the U.S.-Spain bilateral relationship.

Seville Expo

QUESTION:

Please describe the planned reprogramming of funds for Seville in FY 90. What would be the impact if the reprogramming does not occur?

ANSWER:

In 1990, initial start-up costs (exhibit and architectural and engineering design contracts for the U. S. pavilion and personnel salaries) are estimated at $2.93 million. The Agency plans to cover these costs by applying balances of prior-year appropriations of $1,067,259, the remaining balances of $248,436 in the Agency's trust fund account for the Tsukuba Expo, and new 1990 appropriated funds of $1,613,375. These latter funds will be reprogrammed from within the Programs Bureau from funds that were initially planned for research and development of the third exhibition in the US/USSR cultural exchange exhibit program. The Agency transmitted a formal reprogramming notice to the Committee dated March 8, 1990.

If the reprogramming does not occur, the Government will not be able to sign participation contracts with states and corporations pledged to exhibit in our pavilion at Seville. This would in effect forfeit $10 million in cash and in-kind pledges. Private U. S. corporations and states are anxious to join the U. S. participation effort, but they are awaiting a demonstration of U. S. Governmental commitment. Further, the reprogrammed funds will finance the completion of the architecture and engineering for the U.S. Pavilion in time to begin pavilion construction by October 1990. With the passage of time, we are falling further behind in a tight preparation schedule. Delays in beginning construction will drive up costs due to the over 20% inflation rate for construction costs in Spain.

If the reprogramming is not approved, our participation in the Expos at Seville and Genoa would be severely jeopardized.

VOA Broadcasting to Yugoslavia

QUESTION:

Can you elaborate on the steps taken by USIA to respond to concerns over the placement of Croatians within the Yugoslavian Service?

ANSWER:

VOA has not suppressed or discriminated against the Croatian language. It is long standing policy, determined in cooperation with the Department of State, that U.S. interests are best served through VOA broadcasts to Yugoslavia in Serbo-Croatian prepared by a unified staff. In fact, the eastern and western variants of Serbo-Croatian are mutually comprehensible. The language used in Serbo-Croatian broadcasts reflects the relative populations of Serbia and Croatia.

It is illegal to use ethnic background as a qualifying factor for employment with the Federal Government. VOA is constantly searching for qualified candidates of all ethnic backgrounds for future vacancies in the Yugoslavian Service.

Questions Submitted by Congressman Regula

Seville Expo 92

QUESTION:

Regarding the Seville fair, will there be contributions from private sources for the U.S. exhibition? If so, provide details. If not, why?

ANSWER:

The U.S. Government budget for the Seville and Genoa expositions is $14.5 million. In addition, USIA is seeking $8.8 million in cash for space rented in Seville to states and corporations and $11.6 million of in-kind value from exhibitions built and operated by states and corporations.

Non-federal pledges as of March 1, 1990, based on USG participation and funding in the Seville Exposition, are as follows:

	Cash	In-kind
U.S. Sprint	$ 750,000	$ 500,000
Coca Cola	300,000	--
Am. Plywood Assoc.	400,000	600,000
California	2,400,000	3,600,000
Kansas City	400,000	600,000
South Carolina	400,000	600,000
TOTAL	4,650,000	5,900,000

Other interested prospects include NASA and the National Air and Space Museum, which are seeking corporate underwriters for rental of space in the U.S. Pavilion, and the states of Alaska, Hawaii, Illinois, New York and Texas.

Rotary Teenager Exchange

QUESTION:

Please provide the Subcommittee with a justification for USIA regulations of "one semester or one year" for Youth Exchange Programs. What is the role that the Agency plays in rotary-sponsored exchanges and how does "one semester or one year" affect them? What is the status of the school district survey regarding exchange students resulting from conversations between the Agency and rotary?

ANSWER:

The requirement that teen exchange programs be administered to conform with the academic year in the United States has been a long standing policy. A "split-academic year" is contrary to USIA regulations.

The Rotary has been designated by USIA to administer teen exchange programs. Rotary informed the Agency in July of last year of its disagreement with the regulations. USIA has initiated a re-evaluation of the policy rationale for prohibiting a split-academic year. The results of that study will be shared with Rotary and all other exchange sponsors engaged in teenage exchanges. While the policy is under review, Rotary exchange program activities will continue uninterrupted.

Questions Submitted by Congressman Kolbe

VOA Language Services

QUESTION:

There was some concern a few weeks ago that you might have to end broadcasting by VOA in six languages. Now I understand you have managed to avoid that. How did you do that?

ANSWER:

In the belief that a 43-language Voice of America is a significant component of our present foreign affairs structure, the Agency will adjust its budget to retain the Greek, Turkish, Lao, Uzbek, Swahili, and Slovene broadcast services.

USIA is developing a proposal to transfer funds from radio construction to cover shortfalls in VOA's operating budget. We consider this to be the most feasible alternative, given the program demands on the Agency and operating budget limitations. We are trying to minimize the impact of such a shift on VOA's streamlined Modernization program.

Criteria Used to Cease Language Broadcasts

QUESTION:

What criteria will you use if you have to end broadcasting in certain languages in the future? Is it listening audience, political importance of a particular area, or an inability to get broadcasters in those languages?

ANSWER:

We will have to use our judgment -- weighing diplomatic, political, and other critical factors. There is no automated way to do this, but our hope is that Congress and the Administration will provide the money needed to maintain both the facilities and the languages.

We think that the Voice of America is currently broadcasting in the proper number of languages necessary to carry out its global mission. The February 1 proposal to close six of the language services was necessitated by a lack of resources to support VOA at present broadcast levels.

The size of the listening audience was among criteria used to determine which of the 43 languages to abolish. Most of the services identified broadcast to single countries or republics which are a part of a larger political entity. In most instances, alternative sources of mass media information exist. The political importance of the target area, of course, also was considered.

VOA Listenership

QUESTION:

Yesterday we heard from the Board for International Broadcasting. They said they do exit polling of East European emigres to determine how many people are listening to various broadcasts. How do you determine the scope of your listenership?

ANSWER:

VOA research is conducted by the USIA Office of Research (R) and VOA's own audience research specialists. VOA seeks to conduct surveys in countries to which we broadcast. VOA and R develop special questionnaires, which are then administered by local market research and polling firms. VOA also exchanges audience research data (including exit polls) with Radio Free Europe/Radio Liberty, the BBC, and other international broadcasters. Radio Marti maintains a separate research office to gather data on the Cuban audience.

Active Measures and Disinformation

QUESTION:

Two years ago I requested a report on Soviet active measures, which includes spreading disinformation about the United States. I found the report extremely interesting and it attracted some press interest, including the National Enquirer. I'm looking forward to receiving an update this year. Specifically, I hope you will address these questions: Do you see active measures and disinformation increasing or decreasing in this new era of "glasnost?"

ANSWER:

The Soviet reliance on active measures appears to have increased during the era of "glasnost." The essence of active measures is to use organizations that appear to be independent but actually take their direction from the Soviet Communist Party as disguised instruments of Soviet foreign policy. This gives the Soviets an "extra voice at the table" when foreign policy issues are debated in foreign countries.

The organizations that the Soviets use in active measures operations include Soviet non-governmental organizations, the foreign policy-related institutes of the Soviet Academy of Sciences, international front groups, Soviet-line foreign communist parties, Soviet media, and foreign agents of influence.

During the era of "glasnost," the Soviets have deemphasized their reliance on military force and coercive diplomacy as ways of exerting their influence abroad, and increased their reliance on political means, which include traditional state-to-state diplomacy and the non-diplomatic techniques of active measures. The importance of active measures has thus increased substantially in recent years. In addition, opportunities to pursue these operations have risen dramatically as East-West barriers have eroded.

Soviet sponsorship of disinformation remained at least steady and may have increased from 1985 to 1987. During those years, the Soviets embraced a number of new, particularly outrageous disinformation campaigns, falsely charging that the U.S. created AIDS, that Americans were adopting Latin American babies to use their body parts in organ transplants, and that the U.S. government killed the people who died in the 1978 mass suicide in Jonestown, Guyana. Since 1988, Soviet sponsorship of these campaigns has decreased, but more traditional disinformation continues, as explained in the answer to the question on trends in disinformation.

Trends in Disinformation

QUESTION:

Do you see any new trends in disinformation or is it the same old stuff, such as: the U.S. concocted the AIDS virus and let it loose upon the world; the U.S. has developed diseases which only affect certain races; the U.S. sells baby organs to Third World countries?

ANSWER:

During the last two years, the Soviets have substantially reduced their sponsorship of the most flamboyant anti-American disinformation, such as the AIDS, "baby parts," and "ethnic weapon" campaigns. These charges still occasionally surface, but much less than in 1987, when they appeared frequently.

Other more traditional disinformation has continued, although on what appears to be a somewhat reduced scale. The Soviets still routinely spread false claims that the U.S. government is involved in various coups and assassinations and in biological weapons preparations. For example, the January 1990 issue of the Novosti Military Bulletin falsely claimed that the U.S. will create a new type of mass destruction biological weapon -- hormonal weapons -- within 10 years. On January 8, 1990, Pravda falsely suggested that the U.S. assassinated former Panamanian leader Omar Torrijos. In December 1989, Soviet media falsely suggested that the revolt in the Philippines was "the result of a secret operation by U.S. special services."

In circumstances where they can reasonably expect to escape public censure, the Soviets continue to spread disinformation largely as before. For example, forgeries of known or suspected Soviet origin continue to appear at roughly the same rate as they did in previous years. In this area, Soviet involvement is often difficult, if not impossible to establish definitively -- at least publicly -- and therefore the Soviets have less incentive to stop this practice.

We now may be at a "steady state" stage of disinformation, in which the Soviets have reduced their sponsorship of the most flamboyant charges, largely due to U.S. public pressure, but continue to spread disinformation in cases where they believe the benefit, in terms of harm done to the United States, outweighs the cost, in terms of damage to the USSR when the Soviet role in spreading disinformation is exposed.

THURSDAY, FEBRUARY 22, 1990.

MARINE MAMMAL COMMISSION

WITNESSES

ROBERT ELSNER, Ph.D., COMMISSIONER
JOHN R. TWISS, JR., EXECUTIVE DIRECTOR
ROBERT J. HOFMAN, Ph.D., SCIENTIFIC PROGRAM DIRECTOR
DAVID W. LAIST, SENIOR POLICY AND PROGRAM ANALYST

Mr. EARLY [presiding.] The committee will come to order.

This afternoon we will first hear from the Marine Mammal Commission. The Commission budget request for fiscal year 1991 is $1,003,000, an increase of $43,000 over the fiscal year 1990 appropriated level of $960,000. We will insert the justification material for this request in the record at this point.

[The justification follows:]

MARINE MAMMAL COMMISSION
ANNUAL ESTIMATE OF APPROPRIATION
FISCAL YEAR 1991

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON COMMERCE, JUSTICE, STATE,
THE JUDICIARY, AND RELATED AGENCIES
UNITED STATES HOUSE OF REPRESENTATIVES

29 JANUARY 1990

MARINE MAMMAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Marine Mammal Commission as authorized by Title II of Public Law 92-522, as amended, [$960,000] $1,003,000.

MARINE MAMMAL COMMISSION

CONSULTING SERVICES - FY 1991

Pursuant to PL 96-304, §307(a) and (b), this is to advise the Committee that the Marine Mammal Commission has budgeted no funds for consulting services for FY 1991. During FY 1989, no money was spent on consulting services. Money has not been spent on such services in FY 1990 to date, and it is not anticipated that any will be.

STANDARD FORM 304
May 1960, Bureau of the Budget
Circular No. A-11, Revised.
304-103

MARINE MAMMAL COMMISSION
SALARIES AND EXPENSES

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 95-2200-0-1-302		1989 actual	1990 estimate	1991 estimate
	Personnel compensation:			
11.1	Permanent positions	400	470	509
11.3	Positions other than permanent	92	100	109
11.5	Other personnel compensation	-	-	-
11.8	Special personal services payments	-	-	-
	Total personnel compensation	492	570	618
	Personnel benefits:			
12.1	Civilian	63	67	73
13.0	Benefits for former personnel	-	-	-
21.0	Travel and transportation of persons	45	50	57
22.0	Transportation of things	0	0	0
23.1	Rent	55	59	64
23.0	Rent, communications, and utilities	50	55	60
24.0	Printing and reproduction	30	25	23
25.0	Other services	180	114	83
26.0	Supplies and materials	12	10	15
31.0	Equipment	26	10	10
32.0	Lands and structures			
33.0	Investments and loans			
41.0	Grants, subsidies, and contributions			
42.0	Insurance claims and indemnities			
43.0	Interest and dividends			
44.0	Refunds			
99.0	Total obligations	953	960	1,003

U.S. GOVERNMENT PRINTING OFFICE : [illegible]

Type size:
8 point 23 picas
Case 180.
Red underscore
Case 210

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

MARINE MAMMAL COMMISSION
SALARIES AND EXPENSES
Personnel Summary

Identification code 95-2200-0-1-302	19 89 actual	19 90 estimate	19 91 estimate
Total number of full-time permanent positions allocated	11	11	11
Total compensable workyears: Full-time equivalent employment..................	12	12	12
Full-time equivalent of overtime and holiday hours...	-	-	-
Average GS grade	12.1	12.0	12.0
Average GS salary	43,740	44,720	50,900
(Memo cut: [illegible])	(Memo cut: [illegible])	(Memo cut: [illegible])	(Memo cut: [illegible])

Type size:
8 point
14½ picas
Fol. IIC solid

STANDARD FORM 306
July 1966, Bureau of the Budget
Circular No. A-11, Revised.
306-100

MARINE MAMMAL COMMISSION
SALARIES AND EXPENSES

DETAIL OF PERMANENT POSITIONS

	19 89 actual	1990 estimate	1991 estimate
GS-18....................................	1	1	1
GS-15....................................	2	2	2
GS-14....................................	1	1	1
GS-13....................................	1	1	1
GS-12....................................	1	1	1
GS-11....................................	2	2	2
GS-10....................................	1	-	-
GS-09....................................	1	2	2
GS-08....................................	-	-	-
GS-07....................................	-	-	-
GS-06....................................	-	-	-
GS-05....................................	-	1	1
GS-04....................................	1	-	-
Total number of full-time permanent positions..............................	11	11	11
Total compensable workyears: Full-time equivalent employment....................	12	12	12
(Mono cast: 16.5)	(Mono cast: 4.9)	(Mono cast: 4.8)	(Mono cast: 4)

GPO 1966 O - [illegible]

STANDARD FORM 300
July [illegible], Bureau of the Budget
Circular No. A-11, Revised.

MARINE MAMMAL COMMISSION
SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 95-2200-01-302	19 89 actual	19 90 estimate	19 91 estimate
Program by activities:			
10.00 Total obligations..............	953	960	1,003
Financing:			
25.00 Unobligated balance lapsing....	0	-	-
40.00 Budget authority (appropriation)	953	960	1,003
Relation of obligations to outlays:			
71.00 Obligations incurred, net......	953	960	1,003
72.40 Obligated balance, start of year...........................	237	307	205
74.40 Obligated balance, end of year...........................	-307	-205	-214
77.00 Adjustments in expired accounts.......................	-4	0	0
90.00 Outlays	879	1,062	994
(Memo cost: [illegible])	(Memo cost: [illegible])	(Memo cost: [illegible])	(Memo cost: [illegible])

MARINE MAMMAL COMMISSION

Background

The Marine Mammal Protection Act of 1972 sets forth a national policy to prevent marine mammal species and population stocks from diminishing, as a result of human activities, beyond the point at which they cease to be significant functioning elements of the marine ecosystems of which they are a part. Congress directed that the primary objective of marine mammal management should be to maintain the health and stability of the marine ecosystem, and, consistent with this primary objective, to obtain and maintain optimum sustainable populations of marine mammals.

FY 1990 to Date

The Marine Mammal Commission's FY 1990 Congressional budget justification noted that, in addition to meeting its statutory obligations set forth in the Marine Mammal Protection Act, the Commission, in Fiscal Year 1990, would focus on: implementing the 1988 amendments to the Marine Mammal Protection Act; developing guidelines to govern the incidental taking of marine mammals in the course of commercial fishing operations after 1 October 1993; encouraging the development, updating, and implementation of recovery plans for marine mammal species and populations that are endangered or threatened; encouraging the rapid completion of conservation plans for species and populations that are depleted or substantially affected by human activities (but not endangered or threatened); initiating and supporting domestic and international efforts necessary to document and resolve conservation problems being caused by persistent plastics in the world's oceans; helping to develop better equipment and techniques for assessing and monitoring the status of marine mammal populations and habitats; and improving planning and coordination of marine mammal research and management activities being conducted by governmental and other organizations.

To meet these FY 1990 objectives, a number of steps have already been taken.

Among other things, the 1988 amendments to the Marine Mammal Protection Act legislated criteria for judging whether foreign tuna purse seine fleets have porpoise mortality rates comparable to that of the U.S. fleet (yellowfin tuna caught by foreign purse seine fleets cannot be imported into the United States unless the "comparability" standard is met); and directed that the National Marine Fisheries Service establish performance standards for the U.S. fleet, prescribe regulations regarding the use of "seal bombs" to hurt porpoises during fishing operations, and contract with the National Academy of Sciences to identify possible alternatives to the practice of setting-on-porpoise to catch yellowfin tuna associated with the porpoise. Thus far in Fiscal Year 1990, the Commission has evaluated and provided comments on steps being taken by the National Marine Fisheries Service to give effect to these legislative directives. The Commission also has provided background information to the National Academy of Sciences to assist in their study of possible alternative fishing techniques. On February 20th, Commission representatives will conduct an in-depth review of the Service's tuna-porpoise research and regulatory program.

The 1988 amendments also directed the Commission to develop and provide the Secretary of Commerce recommended guidelines to govern the incidental taking of marine mammals in the course of commercial fishing operations after 1 October 1993. In response to this directive, the Commission did develop draft guidelines which were sent on 26 January to Federal and state agencies, fisheries groups, environmental groups, and knowledgeable scientists for review and comment. The guidelines will be revised to take account of comments provided and forwarded to the Secretary of Commerce by the end of March.

With regard to updating and encouraging the development and implementation of recovery plans for endangered and threatened species, the Commission thus far in FY 1990 has: recommended that the Fish and Wildlife Service allocate funds necessary to effectively implement the West Indian Manatee Recovery Plan, review local manatee protection plans, and establish additional boat speed regulatory zones in Florida; conducted a program review and provided recommendations to the National Marine Fisheries Service on steps needed to update and improve implementation of the Hawaiian Monk Seal Recovery Plan; and provided detailed criticism to the National Marine Fisheries Service on the draft Humpback Whale Recovery Plan that it distributed for comment in October 1989. In addition, the Commission has recommended that a recovery plan be developed for the western Arctic population of bowhead whales. At its annual meeting to be held on 8-10 March, the Commission will review ongoing efforts to develop a right whale recovery plan and to update the Southern Sea Otter Recovery Plan, as well as efforts to protect and encourage recovery of the Florida manatee, the Hawaiian monk seal, and humpback whale populations in U.S. waters.

Several species, such as the North Pacific fur seal and the Steller sea lion, which are depleted but not endangered or threatened, can benefit from conservation plans. The Commission, beginning in 1985, has recommended that the National Marine Fisheries Service and the Fish and Wildlife Service prepare conservation plans for species and populations that are depleted or otherwise substantially affected by human activities. Congress concurred with the Commission and, in 1988, amended the

Marine Mammal Protection Act to establish procedures for conducting marine mammal status reviews. Furthermore, consistent with earlier Commission recommendations, Congress directed the National Marine Fisheries Service and the Fish and Wildlife Service to prepare conservation plans as soon as possible for all depleted species or stocks unless they determine that such a plan would not promote the conservation of the species or stock. The National Marine Fisheries Service was specifically required to complete conservation plans for the North Pacific fur seal by 31 December 1989 and for the Steller sea lion by 31 December 1990.

As noted in the Commission's annual report to Congress for calendar year 1989, a range-wide survey conducted in 1989 by the National Marine Fisheries Service, in cooperation with foreign scientists and several state agencies, indicated that the Steller sea lion is continuing to decline throughout most of its range. Because of this, the Environmental Defense Fund petitioned the Service on 21 November 1989 for an emergency listing of Steller sea lions as "endangered" under the Endangered Species Act. On 20 December 1989, the Commission wrote to the Service recommending that it act immediately on that petition and that it complete and distribute a draft Steller Sea Lion Conservation Plan by March 1990 at the latest. On 31 January 1990, the Commission recommended that the Service establish a recovery team to develop a Steller sea lion recovery/conservation plan, and provided a list of appropriate scientists for the team.

In addition to the preceding, the Commission thus far in 1990 has commented on a National Marine Fisheries Service proposal to designate the nearshore bottlenose dolphin stock affected by the 1987-88 die-off as depleted under the Marine Mammal Protection Act. The Commission recommended that the Service develop a conservation plan for the stock before taking final action on the proposed depletion designation. Also, in December 1989, the Commission reviewed and commented on the Service's program for insuring that live captures and removals for purposes of public display and scientific research do not adversely affect local stocks of bottlenose dolphins along the Florida and Gulf coasts.

With regard to documenting and resolving conservation problems caused by lost and discarded fishing gear and other persistent plastics in the world's oceans, the Commission thus far in FY 1989 has: reviewed and provided comments on the National Marine Fisheries Service's marine entanglement research program plan for fiscal year 1990; continued to work with the Coast Guard to develop guidelines for the implementation of Annex V of the International Convention for the Prevention of Pollution from Ships; and worked with the Department of State and the National Marine Fisheries Service on agreements with Japan, Taiwan, and South Korea to assess and mitigate the effects of driftnet fisheries in the North Pacific Ocean on marine mammals, seabirds, sea turtles, and other species caught incidentally in the fisheries, and in fishing gear lost and discarded by these fisheries.

In addition to the preceding, the Commission has, thus far in FY 1990, worked with the Department of State, the National Oceanic and Atmospheric Administration, the National Marine Fisheries Service, and other agencies to: take steps to further the conservation policies and programs of the International Whaling Convention; implement the Convention on the Conservation of Antarctic Marine Living Resources; conclude other international agreements to conserve marine mammals and the ecosystems of which they are a part in the seas surrounding Antarctica; and negotiate a Protocol to the Cartagena Convention for the protection of areas and wildlife of special importance in the wider Caribbean region.

One unexpected matter that took up much time in Fiscal Year 1989 and 1990 was the oil spill resulting from the tanker Exxon Valdez in Prince William Sound, Alaska. This occurred on 24 March 1989. Some of the Commission's efforts to identify and encourage actions necessary to assess and mitigate the effects of the oil spill on marine mammals are described in our annual report for calendar year 1989. The Commission will conduct a review of these efforts during its annual meeting on 8-10 March. In addition, the Commission is working with the Fish and Wildlife Service to organize a symposium, to be held in Anchorage, Alaska, on 17-19 April to review steps taken to assess and mitigate the impacts of the spill on sea otter populations in Prince William Sound and the Gulf of Alaska.

Since October 1, 1989, the Commission has been fulfilling the commitments it made to this Committee last year.

Objectives for FY 1991

The Commission will continue to meet its basic statutory responsibilities in FY 1991 by:

- recommending to the Secretaries of Commerce, Interior, State, and other Federal agencies actions needed to protect and conserve marine mammals and their habitat;
- helping coordinate academic, state, Federal, and international research and study efforts to increase productivity and prevent wasteful, duplicative research;
- managing and publishing the results of research and studies program in which specific problems bearing upon

marine mammal protection and conservation are addressed;

- recommending to the Secretaries of Commerce and Interior actions on the issuance of permits to take marine mammals for public display, scientific research, and enhancement purposes;

- making recommendations to the Secretaries of Commerce and Interior on any requests for waivers of the moratorium on taking and return of management authorities to states; and

- making recommendations on United States' positions relative to international negotiations affecting marine mammals and participating in those negotiations.

While meeting its statutory obligations in FY 1991, the Commission will focus on: continuing to implement the 1988 amendments to the Marine Mammal Protection Act; developing guidelines to govern the incidental taking of marine mammals in the course of commercial fishing operations after 1 October 1993; encouraging the effective development and implementation of recovery plans for marine mammal species and populations that are endangered or threatened; encouraging the prompt development and implementation of conservation plans for species and populations that are depleted or substantially affected by human activities (but not endangered or threatened); working with the Department of State, the Department of Commerce, and the Department of Transportation to document and resolve conservation problems being caused by high seas driftnet fisheries and by persistent plastics in the world's oceans; working with the Environmental Protection Agency, the National Marine Fisheries Service, the Fish and Wildlife Service, and other agencies to develop programs for assessing and monitoring the levels and effects of organochlorines and other pollutants in the world's oceans on marine mammals and other wildlife; implementing the comprehensive assessment of the status of exploited whale stocks to be initiated by the International Whaling Commission in 1990; and improving planning and coordination of marine mammal research and management activities being conducted by governmental and other organizations.

Available money will be used for contract studies, program reviews, planning meetings, and workshops necessary to determine how best to resolve issues affecting the conservation and protection of marine mammals. As in the past, the Commission will work with interested and affected states, Federal agencies, Native groups, international organizations, industries, and public interest groups.

Conclusion

The Commission, among other things, has played and is playing an important role in: identifying problems affecting the conservation and protection of marine mammals worldwide; developing and implementing recovery plans and conservation plans for endangered, threatened, and depleted species and populations of marine mammals; documenting and determining how best to avoid, reduce, or mitigate the impacts of marine mammal/fishery interactions on both the affected marine mammal populations and the affected fisheries; expediting the negotiation and implementation of ecologically sound international agreements for the conservation of marine mammals and the ecosystems of which they are a part; encouraging Federal and state agencies, Native groups, industries, and environmental groups to work together to meet the intents and provisions of the Marine Mammal Protection Act; objectively exercising its overview responsibilities to assist the regulatory agencies in identifying and addressing critical conservation issues; assuring that research needs are defined clearly and that research programs are planned and coordinated so as to avoid duplication and to obtain needed information as quickly and as economically as possible; insuring that agencies appropriately enforce the provisions of the Act; and providing a continuing review of research and other activities conducted pursuant to the Act.

FY 1991 Estimate

The Marine Mammal Commission's FY 1991 budget request of $1,003,000 includes an increase of $43,000 over the FY 1990 budget. This funding level is adequate for the Commission to meet its oversight and policy making responsibilities while still providing for certain priority research projects.

Mr. **Early**. Testifying on behalf of the Commission this afternoon is Commissioner Robert Elsner. Dr. Elsner, we welcome you. Glad to have you. You may proceed with your statement in whatever manner you desire.

Dr. **Elsner**. Good afternoon, Mr. Chairman. It is a pleasure to appear before you. My name is Robert Elsner. I am a member of the Marine Mammal Commission. With me today are Mr. John Twiss, executive director; Dr. Robert Hofman, scientific program director; and Mr. David Laist, senior policy and program analyst.

Our estimate of appropriations and our annual report discuss activities so far this fiscal year and our plans for fiscal year 1991. With your permission, I should like to direct your attention to some of the issues.

1988 MARINE MAMMAL PROTECTION ACT AMENDMENTS

With respect to activities in fiscal year 1990, we are spending our appropriated funds as we said we would when we appeared before you in early 1989. For example, we have been working on the 1988 Marine Mammal Protection Act amendments treating the incidental killing of porpoises in the tuna fishery. In this regard, we have helped the National Academy of Sciences with their study of alternative fishing techniques; we have conducted an in-depth review of the tuna-porpoise research and regulatory programs; and we have advised the National Marine Fisheries Service on appropriate comparability standards for foreign countries and performance standards for United States fishermen.

The 1988 amendments directed us to develop guidelines on incidental taking of marine mammals in commercial fisheries after 1 October 1993. The draft guidelines are now being broadly reviewed. In due course, they will be sent to the Secretary of Commerce.

With respect to species of special concern, we have pushed the Fish and Wildlife Service to support extremely critical West Indian manatee recovery activities; recommended basic changes in the Hawaiian monk seal program; and suggested ways to strengthen recovery plans for endangered whales.

It was gratifying that Congress wrote into law our recommendations that conservation plans for certain species like the Steller sea lion and North Pacific fur seal be developed. The Steller sea lion continues to decline. We are working with fisheries groups, environmental organizations, the North Pacific Fishery Management Council, and a variety of governmental agencies to do something about it. In fact, right now Commission representatives are meeting with fishermen in Anchorage.

These and other activities are discussed in the annual report.

In fiscal year 1991 we shall continue to recommend actions to protect marine mammals and their habitats; coordinate research and study efforts; publish research results; recommend actions on permits; and recommend United States positions on international negotiations affecting marine mammals.

In addition, we shall continue to address the 1988 amendments to the Marine Mammal Protection Act; work on incidental taking in commercial fishing operations; force recovery and conservation plan implementation for endangered, threatened, and other appropriate species; seek further controls on incidental mortality in the high seas driftnet fisheries; push agencies to assess, monitor, and limit levels and effects on marine life of organochlorines and other ocean pollutants, including persistent plastic debris; participate in the International Whaling Commission's comprehensive assessment of exploited whale stocks; and strengthen the Government's marine mammal research and management activities.

We shall use available money for contract studies, program reviews, planning meetings, and workshops on issues affecting marine mammal conservation. In doing this, we shall work with interested and affected States, Federal agencies, native groups, international organizations, industries, and public interest groups.

Our budget request for $1,003,000 includes an increase of $43,000 over our fiscal year 1990 budget. It is adequate for us to meet our oversight and policymaking responsibilities, while still providing for priority research.

Thank you. I will be happy to respond to any questions you may have.

[The prepared statement of Dr. Elsner follows:]

STATEMENT OF COMMISSIONER ROBERT ELSNER, PH.D.
BEFORE THE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON COMMERCE, JUSTICE, STATE,
THE JUDICIARY, AND RELATED AGENCIES
UNITED STATES HOUSE OF REPRESENTATIVES

22 February 1990

Good afternoon, Mr. Chairman and Members of the Committee. It is a pleasure to appear before you. My name is Robert Elsner. I am a member of the Marine Mammal Commission. With me today are John R. Twiss, Jr., Executive Director; Robert J. Hofman, Ph.D., Scientific Program Director; and David W. Laist, Senior Policy and Program Analyst.

Our Estimate of Appropriations and Annual Report discuss activities so far this Fiscal Year and our plans for Fiscal Year 1991. With your permission, I should just like to direct your attention to some issues.

Activities to Date in FY-1990

We are spending our money as we said we would when we appeared before you in early 1989. For example, we have been working on the 1988 Marine Mammal Protection Act amendments treating the incidental killing of porpoise in the tuna fishery. In this regard, we have helped the National Academy of Sciences with their study of alternative fishing techniques; we have conducted an in-depth review of the tuna-porpoise research and regulatory programs; and we have advised the National Marine Fisheries Service on appropriate comparability standards for foreign countries and performance standards for U.S. fishermen.

The 1988 amendments directed us to develop guidelines on incidental taking of marine mammals in commercial fisheries after 1 October 1993. The draft guidelines are now being broadly reviewed. In due course, they will be sent to the Secretary of Commerce.

With respect to species of special concern, we have pushed the Fish and Wildlife Service to support extremely critical West Indian manatee recovery activities, recommended basic changes in the Hawaiian monk seal program, and suggested ways to strengthen recovery plans for endangered whales.

It was gratifying that Congress wrote into law our recommendations that conservation plans for certain species, like the Steller sea lion and North Pacific fur seal, be developed. The Steller sea lion, for example, continues to decline. We are working with fisheries groups, environmental organizations, the

North Pacific Fishery Management Council, and a variety of governmental agencies to do something about it. In fact, right now, Commission representatives are meeting with fishermen in Anchorage.

These and many other activities are discussed in the Annual Report.

Objectives for FY 1991

In Fiscal Year 1991, we shall continue to recommend actions to protect marine mammals and their habitats, coordinate research and study efforts, publish research results, recommend actions on permits, and recommend United States' positions on international negotiations affecting marine mammals.

In addition, we shall: continue to address the 1988 amendments to the Marine Mammal Protection Act; work on incidental taking in commercial fishing operations; force recovery and conservation plan implementation for endangered, threatened, and other appropriate species; seek further controls on incidental mortality in the high seas driftnet fisheries; push agencies to assess, monitor, and limit levels and effects of organochlorines and other ocean pollutants, including persistent plastic debris, on marine life; participate in the International Whaling Commission's comprehensive assessment of exploited whale stocks; and strengthen the Government's marine mammal research and management activities.

We shall use available money for contract studies, program reviews, planning meetings, and workshops on issues affecting marine mammal conservation. In doing this, we shall work with interested and affected states, Federal agencies, native groups, international organizations, industries, and public interest groups.

FY 1991 Estimate

Our budget request for $1,003,000 includes an increase of $43,000 over our FY 1990 budget. It is adequate for us to meet our oversight and policy making responsibilities while still providing for priority research.

Mr. **Early**. I want to thank you for your statement, Commissioner Elsner. On any of our questions, you or anyone who is with you should feel free to answer the questions.

Dr. **Elsner**. Thank you.

Mr. **Early**. Being from Massachusetts, I can appreciate the importance of the Commission.

Your fiscal year 1991 budget request represents a $43,000 increase, or about 4.5 percent over fiscal year 1990. Does this amount allow the Commission to maintain the current service level.

Dr. **Elsner**. With your permission, could I refer that question to Mr. Twiss?

Mr. **Early**. Absolutely.

Dr. **Elsner**. Thank you.

Mr. **Twiss**. Thank you, Mr. Chairman.

It would allow us to continue to meet our minimal statutory obligations.

Mr. **Early**. Are we missing out on the potential that you think is there, that the Commission should be exploring?

Mr. **Twiss**. In terms of the research that we could be carrying out, the amount is not adequate to address what should be addressed. I think specifically of problems like the East Coast die-off of dolphins, the real root cause of which we still don't understand. We do know, however, because of the pollutants found in a number of the animals that it is time for some sort of carefully organized interagency investigation. That is the type of thing that I think we will be missing out on.

REQUEST TO OMB

Mr. **Early**. What was the Commission's original request to OMB, Mr. Twiss?

Mr. **Twiss**. This was it.

Mr. **Early**. This was it?

Mr. **Twiss**. This was precisely it.

Mr. **Early**. Why don't you provide for the record anything you think that you are not able to do with this budget, as far as research that that is going to be deferred.

Mr. **Twiss**. All right. I shall be glad to.

[The information follows:]

Priority issues to which the Commission could usefully devote money in FY 91 are:

1. a series of workshops involving governmental non-governmenal scientists and policy makers to develop appropriate response mechanisms to catastrophic marine events be they caused by man or natural in origin;
2. support of the updating of the Marine Mammal Commission's 1978 review of literature on pollutants in marine mammals;
3. convening a group of experts to develop a plan for assessing and monitoring contaminant levels in marine mammals and determining the effects of various contaminants on survival and productivity;
4. in consultation with scientists from disciplines other than marine mammal biology, determining what marine organisms, including marine mammals, would be good indicators of the state of coastal and pelagic marine ecosystems and describing a coordinated program for monitoring those indicator species;
5. substantial expansion of the Geographic Information System in Florida so that decision-makers would be better able to evaluate the impacts of developmental activities on manatees before, rather than after, they occur;
6. organizing and, in cooperation with the National Marine Fisheries Service, Fishery Management Councils, and relevant industry and environmental groups,

convening (1) an international symposium to determine the best available data, theory, and models concerning the structure and dynamics of marine ecosystems and marine resource management; and (2) a series of workshops to develop recommended principles and procedures for cooperatively manageing marine mammals, fish, and other marine resources from a true ecosystem persepctive; and

7. examining the entire range of harassment issues affecting marine mammals in Hawaii and recommending approaches to dealing with those problems.

$200,000 could easily be spent on items 1 through 4 with small amounts going as seed money to items 5, 6 and 7. Even with only $100,000, it should be possible to use it to encourage other agencies to act substantively in many of the areas.

RELOCATION

Mr. Early. Now I understand, Dr. Elsner, that the Commission is moving. What will the cost of that move be?

Dr. Elsner. The move is expected to take place in March. Again, I would like to refer that question to Mr. Twiss.

Mr. Early. Sure.

Mr. Twiss. Our present rent is about $59,000 a year. When we originally were negotiating, GSA told us that we would be paying between $92,000 and $108,000 a year for the new offices. We have prevailed upon them to move us to a less expensive part of town, and the increase in our rent should be from $59,000 to about $64,000, or roughly $5,000. The physical move is costing between $3,500 and $3,800.

Mr. Early. And is the Commission satisfied with the move? Or is it the right environment?

Dr. Elsner. As far as the space is concerned, it will constitute a considerable improvement for us, yes.

RESEARCH BUDGET

Mr. Early. Fine. Your justification suggests $17,000 for a research project. Would you briefly describe that project?

Dr. Elsner. Yes. Could I turn to Dr. Hofman for that, please?

Mr. Early. Sure.

Dr. Hofman. The $17,000 in the budget, Mr. Early, would be enough to cover the Commission's basic statutory responsibilities, projects such as the annual survey of federally funded research. It would not provide funds to do the types of things that Mr. Twiss was describing earlier.

Mr. Early. But you feel it is sufficient to carry out the Commission's responsibilities?

Dr. Hofman. The basic statutory responsibilities. It is not enough for looking, identifying major types of policy problems, both domestic and international, or initiating efforts to deal with those.

Mr. Early. Why don't you, for the record, provide what the Commission would like to be doing—other research? Not that we are going to get to it, but I would be interested in seeing some of the things you would like to be doing.

Dr. Hofman. Yes.

[Clerk's note.—The information requested is included in the previous response for the record.]

Mr. Early. How does that $17,000 compare, Dr. Hofman, to fiscal year 1990 and prior fiscal years?

Dr. Hofman. In 1989 we actually spent about $90,000 on research. In 1990, the present fiscal year, the answer to that question will be dependent in part upon the move and other issues. Part of the reason that we had $90,000 in 1989 is that there were additional funds made available because we were without some staff for at least part of the year.

Mr. **Early**. For the record tell us what you expect to complete with the $17,000 this year?

Dr. **Hofman**. Yes.

[The information follows:]

The $17,000 will be used to help the Commission meet its basic statutory responsibilities. In particular, it will be used to conduct the annual Survey of Federally Funded Marine Mammal Research and to support one or more workshops, interagency review/planning meetings, or small contract studies designed to identify and facilitate cooperative Federal, state, and international actions needed to protect and conserve marine mammals and the ecosystems of which they are a part. The precise topics for the workshops, program review/planning meetings, and contract studies will depend in part upon actions taken by Federal, state and international organizations in 1990 and cannot be identified specifically at this time.

APPOINTMENT OF CHAIRMAN

Mr. **Early**. Now I understand the Commission's former chairman, Dr. William Fox, has moved to the National Marine Fisheries Service at the Department of Commerce. Have you had any indication from the White House as to when there will be a new chairman named?

Dr. **Elsner**. Yes. John, would you like to respond to that, please?

Mr. **Twiss**. Certainly.

Yes, Mr. Chairman. The Office of Presidential Personnel called to say that they were considering names now and that they expected the President to act shortly on a new Commissioner.

Mr. **Early**. Okay. Does that need Senate confirmation?

Mr. **Twiss**. It does, sir.

Mr. **Early**. I am going to yield to my colleague, Mr. Dwyer from New Jersey.

Mr. **Dwyer**. I thank the Chairman.

DOLPHIN KILL

I was particularly interested in the dolphin kill, and you addressed this partially here. Are you close to determining what was responsible for that killing?

Mr. **Twiss**. I think, Mr. Dwyer, that it is fair to say that there was some indication that red tide may have been the proximate cause of death in a few animals. It is also fair to say that high levels of certain pollutants were found in a number of animals, but not found at high levels in other animals.

The picture that is presented is still confusing. I think that in part a more complete answer is going to be drawn not only from the ongoing work that EPA and the Department of Agriculture laboratories are doing with the specimen material now, but it will probably come from what we learn from other dead animals picked up in the course of normal strandings, as well.

I guess the need that we all feel, and feel very badly, is to pull together a comprehensive interagency approach, which draws in the academic community as well, so that when something like this happens again, there is a concerted, organized, immediate response that ends up with fresh specimen material going to the proper laboratories, being analyzed quickly, and giving you more than we were able to get out of this die-off.

Mr. **Dwyer**. How would you suggest this be done?

Mr. **Twiss**. Well, one thing we can do is precipitate a workshop by using our money as seed money to get EPA, the National Marine Fisheries Service, the Fish and Wildlife Service, and a number of other agencies to put in money for a comprehensive workshop to develop the terms of reference for response to this type of natural or manmade occurring catastrophic event. I think the same idea certainly prevails in responses to oil spills, and the same needs prevail.

Mr. **Dwyer**. Just one more question: You mentioned two possible sources—I don't know whether I am directing the question directly to you, or to Dr. Hofman and everyone in the room, quite honestly—you mentioned two sources of possible cause. One was the red tide; the other was pollutants. The geographical location of the dead porpoise, was it a mix? Did you have a red tide possibility and a pollutant possibility on the Jersey coast, or were they all pollutants on the Jersey coast and all red tide on the Massachusetts coast? Can you address that?

Dr. **Elsner**. Bob?

Dr. **Hofman**. The actual cause of death, I think, in most cases that it could actually be identified, was secondary bacterial and viral infections. The working hypothesis is right now, and there is at least circumstantial evidence supporting it——

Mr. **Dwyer**. Don't tell me AIDS has spread to the porpoise population?

Dr. **Hofman**. Well, that was certainly one of the things that was investigated. As you will recall, in August and September of 1987, it was in fact one of the things that was reported in the newspaper. I am happy to say it wasn't true.

Mr. **Dwyer**. I did see that.

Dr. **Hofman**. It was carefully investigated by the National Institutes of Health.

But it appears that something suppressed the immune capability of the dolphins and made them susceptible to things that are normally present in their environment.

DIE-OFF OF HUMPBACK WHALES

One thing investigated late in the die-off was precipitated by the event that occurred in Massachusetts in December, where there was a die-off of humpback whales. The group that looked at the whales felt there was very clear or at least good evidence that that die-off was caused by a naturally occurring toxin present in the guts of mackerel that had been eaten by the humpback whales.

With that information, then, the group began looking retrospectively for a similar thing in the dolphins that had died in the period beginning in June and July in New Jersey, and then ultimately through December and January as far south as Florida. In the specimen material that was available after the fact, there was evidence of the naturally occurring poison that occurs in the classic Florida red tide.

So there seems to be a circumstantial link with that but, as Mr. Twiss indicated as well, in many of the dolphins, including those found in New Jersey, there were very, very high levels of a variety of environmental contaminants, but not in all animals. So while it may have contributed in some animals, it wasn't the proximate cause because it wasn't present everywhere.

Hopefully that addresses your question.

Mr. DWYER. Thank you, and I would hope that we can address the suggestion that was made about making a concerted effort amongst the various agencies to move quickly when something like this happens. Thank you.

Thank you, Mr. Chairman.

GUIDELINES

Mr. EARLY. What is the status of the guidelines governing the incidental taking of marine mammals in the course of commercial fishing operations?

Dr. ELSNER. The Commission has been working on that just recently, and I could turn either to Mr. Twiss or to Dr. Hofman on that.

Mr. TWISS. Just very briefly, Mr. Chairman, we distributed the draft guidelines to fisheries organizations, all of the Fishery Management Councils, environmental community groups, and other people interested in them. They are being commented on now. The comment period closes March 30th. They will go immediately after that to the Department of Commerce.

Mr. EARLY. Do you anticipate any problems with meeting the 1993 deadline?

Mr. TWISS. No, I do not think so.

SEA OTTER POPULATION

Mr. EARLY. Your calendar year 1989 report indicates an emphasis on the plight of California's threatened sea otter population. Has the recent oil spill off the California coast presented new dangers to this threatened otter population?

Dr. ELSNER. Dr. Hofman is our expert.

Dr. HOFMAN. The recent spill has not affected sea otters, but I think it very, very clearly identifies the potential, as does the Exxon Valdez spill. The sea otter Recovery Team did an analysis following the Exxon Valdez spill that indicated, had that occurred off of California, it could have affected the area from the Farallon Islands to the Mexican border, which is all of the Southern California sea otter range. So it illustrated the problem, but luckily this time the sea otters weren't affected.

Mr. EARLY. How is the Commission working with the State of California to further protect the sea otter population?

Dr. HOFMAN. Would you permit me to answer that?

Dr. ELSNER. It is a translocation program, yes.

Dr. HOFMAN. Actually, the Fish and Wildlife Service has responsibility under the Marine Mammal Protection Act. The State of California, both through the California Department of Fish and Game and the California Coastal Commission, maintains a very active role in working with the Fish and Wildlife Service, and the

Commission in working with all three groups with respect to sea otters.

Right now the California Department of Fish and Game is working—in consultation with the Coastal Commission and the Fish and Wildlife Service—on the development of the Sea Otter Oil Spill Response Plan, hopefully taking advantage of the experience learned in Alaska with respect to the Exxon Valdez. The Fish and Wildlife Service is also updating the Southern Sea Otter Recovery Plan.

Mr. EARLY. Dr. Elsner, Dr. Hofman, Mr. Twiss, I want to thank you for your testimony. I appreciate your responses. Thank you very much.

Dr. ELSNER. Thank you very much.

THURSDAY, FEBRUARY 22, 1990.

FEDERAL MARITIME COMMISSION

WITNESSES

JAMES J. CAREY, ACTING CHAIRMAN

EDWARD P. WALSH, MANAGING DIRECTOR

FREDERICK F. TRUTKOFF, DIRECTOR, OFFICE OF BUDGET AND FINANCIAL MANAGEMENT

Mr. EARLY. The last item we shall consider today is the fiscal year 1991 request for the Federal Maritime Commission. The amount requested for fiscal year 1991 is $15,894,000, which represents a $442,000 increase over the fiscal year 1990 enacted level of $15,452,000. We will insert the justification in support of the request into the record at this point.

[The justification follows:]

FEDERAL MARITIME COMMISSION

1961

BUDGET ESTIMATES

FISCAL YEAR 1991

SUBMITTED TO THE APPROPRIATIONS COMMITTEE

JAN 30 1990

1072

FEDERAL MARITIME COMMISSION

Budget Estimates Fiscal Year 1991

TABLE OF CONTENTS

Page

Salaries & Expenses. 1
Summary and Highlight Statement. 2
Summary of Requirements. 8
Program by Activities. 9
Summary of Personal Services 10
Summary of Employment. 11
Other Personal Services Data 13
Travel and Other Administrative Expenses 14

Formal Proceedings Program:

    Office of Commissioners. 17
    Office of the Secretary. 19
    Office of General Counsel. 21
    Office of Administrative Law Judges. 32
Equal Employment Opportunity Program. 33
Inspector General Program 35
Operational and Administrative Program. 37
Economic Analysis Program 40
Trade Monitoring Program. 42
Domestic Regulation Program 47
Hearing Counsel Program 54
Investigations Program. 56
Administration Program. 59

FEDERAL MARITIME COMMISSION

Salaries and Expenses

For necessary expenses of the Federal Maritime Commission as authorized by Section 201(d) of the Merchant Marine Act of 1936, as amended (46 App. U.S.C. 111), including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 (b); and uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-02; $15,894,000: Provided, that not to exceed $1,500 shall be available for official reception and representation expenses. (Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriation Act, 1990.)

FEDERAL MARITIME COMMISSION

Summary and Highlight Statement

Budget Estimates, 1991

The Federal Maritime Commission is an independent regulatory agency which administers the Shipping Act of 1984 ("1984 Act"); the Shipping Act of 1916 ("1916 Act"); the Intercoastal Shipping Act, 1933 ("1933 Act"); sections 19 (1)(b) & (c) of the Merchant Marine Act, 1920 ("1920 Act"); the Foreign Shipping Practices Act of 1988 ("1988 Act"); Public Law 89-777 (passenger vessel certification); and other related statutes. As its major responsibilities, the Commission: monitors the activities of common carriers, marine terminal operators, conferences, ports and freight forwarders who operate in the U.S. foreign commerce to ensure they maintain just and reasonable practices; maintains a trade monitoring and enforcement program designed to detect and appropriately remedy malpractices and violations of the prohibited acts set forth in section 10 of the 1984 Act; monitors the laws and practices of foreign governments which could have a protectionist or otherwise adverse impact on shipping conditions in U.S. trades, and imposes retaliatory remedial action as appropriate pursuant to section 19 of the 1920 Act and the 1988 Act; processes and reviews agreements, service contracts, and tariffs filed pursuant to the 1984 Act for compliance with statutory requirements; and continues the collection and analysis of data on the impact of the 1984 Act on the ocean shipping industry. The Commission also regulates the rates of common carriers operating in U.S. domestic offshore trades, issues licenses to qualified freight forwarders, and ensures that passenger vessel operators demonstrate adequate financial responsibility in case of nonperformance or injury to passengers.

The Commission's significant areas of achievement during the past fiscal year include the following:

--Issued 154 final decisions, of which 40 involved formal proceedings, 86 involved special docket applications, and 15 involved informal dockets consisting of shippers' small claims against ocean carriers, and 13 involved service contract docket applications.

--Processed 277 carrier agreements, and 284 terminal agreements within the time constraints and in accordance with the substantive provisions of the 1984 Act.

--Received and disposed of approximately 725,000 tariff pages and 182 special permission applications, and reviewed 739 new foreign tariffs, of which 141 were rejected.

--Received and processed approximately 5,200 service contracts involving approximately 7,600 shippers.

--Processed 1,266 complaints and information requests.

--Filed a joint brief with the U.S. Solicitor General in opposition to a petition for certiorari filed with the Supreme Court by various carriers and the ILA, regarding the Commission's earlier cease and desist order against the "50 Mile Container Rules." The Supreme Court denied certiorari, and the Court of Appeals stay of the Commission's cease and desist order subsequently was lifted. The Commission then issued an order directing compliance with its cease and desist order within seven calendar days.

--Determined in a formal proceeding that conference agreement provisions prohibiting a conference member from entering into a loyalty contract had not been shown to be unlawful under the 1984 Act. The matter is now under review by the United States Court of Appeals.

--Adopted a final rule to implement the 1988 Act, that sets forth general procedures for investigatory proceedings to address adverse foreign conditions affecting U.S.-flag carriers that do not exist for foreign carriers in the United States.

--Granted a petition filed by a carrier in the U.S./Hawaii trade for a limited exemption from the 1933 Act so that it could put into effect on one day's notice rates on new tariff items and reductions in existing individual rates, to enable it to compete with carriers not regulated by the FMC. This exemption was later extended to all FMC-regulated carriers in the U.S./Hawaii trade.

--Adopted a final rule prohibiting service contracts from including "most-favored-shipper" clauses that permit changes to a service contract rate based on unpublished offers of other carriers.

--Adopted a final rule to permit, under specific conditions, the correction of service contracts to rectify administrative or clerical errors.

--Issued a final rule finding that unfavorable conditions exist in the U.S./Peru oceanborne trade as a result of certain laws and decrees of the Government of Peru. To meet or adjust these conditions, the Commission determined to assess fees for each voyage made by specified Peruvian-flag carriers. However, the Commission suspended application of the final rule's sanctions, due to Peru's economic and political conditions.

--Pursuant to section 15, continued to assess comments, and monitored the situation, in an inquiry into the existence and effects of laws, regulations and policies of the Republic of Korea that may have adverse effects on U.S.-flag and other non-Korean-flag carriers.

--After issuing a section 15 order seeking additional information regarding shipping conditions in the U.S./Taiwan trade, and upon review and evaluation of the matter, initiated a formal proceeding under the 1988 Act to address various restrictions affecting the intermodal operations of U.S.- flag carriers in Taiwan. Based on commitments to resolve certain shipping issues, anticipated progress on other issues, and the absence of any request for sanctions against foreign carriers, the Commission discontinued the proceeding in Docket No. 89-16.

--Issued a Notice of Inquiry requesting interested parties to comment on allegations that certain laws, regulations or policies of the Government of Ecuador may adversely affect shipping in the U.S./Ecuador trade, in order to determine whether action pursuant to section 19 was warranted, and subsequently sought further information on the operations and status of a trade carrier, as well as conditions in the trade. The matter is currently under review.

--Testified before the House Subcommittee on Merchant Marine at hearings on the domestic offshore trades in February 1989, and on the Intermodal Shipping Act of 1989 in June 1989.

--Established the Office of Inspector General pursuant to Public Law 100-504 to conduct audits, review operations and programs, investigate possible fraud, waste and abuse of Commission resources and to promote economy, efficiency and effectiveness in Commission programs and operations.

--Developed and implemented targeted recruitment strategies in selected areas and EEO briefings for new employees.

--Completed the five-year study of the impact of the 1984 Act, and submitted a report to Congress, the cabinet member of the Advisory Commission on Conferences in Ocean Shipping, and certain U.S. executive agencies, as required by Section 18 of the 1984 Act.

--Monitored the agreement and tariff activity of common carriers and marine terminal operators, and completed several internal monitoring reports and trade studies to augment surveillance and enforcement efforts.

--Continued a controlled carrier program designed to identify controlled carriers effectively and quickly, and ensure appropriate monitoring of controlled carrier activities.

--Continued enforcement efforts in the Trans-Pacific trades to achieve compliance with U.S. shipping laws. Major settlements were reached with steamship companies, and information was developed which provided numerous significant investigative leads into malpractices in these trades. Also continued the major enforcement initiative to monitor and investigate conditions in the North Atlantic trades. Several additional settlements were completed in these trades.

--Continued an exchange of enforcement information with the U.S. Customs Service ("Customs") in accordance with a 1986 Memorandum of Understanding ("MOU"). A system is being developed whereby Commission investigators may access information filed by the shipping community in Customs' Automated Commercial System.

--Continued to provide investigators with formal training through the White Collar Crime Training Program at the Federal Law Enforcement Training Center, at Glynco, Georgia.

--Collected approximately $4,733,000 in fines and penalties, which represents the largest amount of civil penalties ever collected by the Commission in a single year. The Commission also collected $155,000 in fees for publications and photocopies, ocean freight forwarder licensing, passenger vessel certification, and special permission and other applications. These revenues are returned to Treasury.

--Issued a Request for Proposals for the Automated Tariff Filing and Information System ("ATFI"). A contract was awarded in August 1989 for the initial two phases of the system, with options for subsequent phases.

--Continued information resource management and automation efforts to ensure compliance with statutory and regulatory requirements and to ensure effective coordination of the Commission's automation program.

--Implemented a new annual leave transfer program, and PMRS and SES Performance Appraisal Systems, prepared a comprehensive agency drug-free workplace program, and continued an enhanced recruitment program.

As part of its program objectives for fiscal years 1990 and 1991, the Commission is planning to:

--Resolicit or exercise options for Phases III and IV, i.e., development and operation of a prototype of the ATFI system in fiscal year 1990. Full operation is expected to begin in early fiscal year 1991.

--Respond to any questions/comments concerning the Section 18 report prepared by the Commission and assist the Advisory Commission on Conferences in Ocean Shipping as requested.

--Continue its enhanced monitoring, surveillance and enforcement programs to aggressively pursue violations of the shipping statutes.

--Process and review agreements, service contracts, and tariffs filed pursuant to the 1984 Act.

--Continue to propose and finalize rulemaking proceedings as necessary and appropriate to address the operational and economic changes taking place in the industry, and to reflect the Commission's statutory responsibilities.

--Continue the internal audit program to prevent fraud, waste, mismanagement, and misuse of Government funds within the Commission.

--Accumulate information on the laws and practices of foreign governments and monitor activities in the U.S. foreign trades to address appropriately any condition which appears unfavorable to shipping.

--Provide consumer assistance consistent with the policies of Executive Order 12160, "Providing for Enhancement and Coordination of Federal Consumer Programs."

--Continue to monitor the representation of minorities and women in the workforce and update procedures for affirmative action, complaints processing, special emphasis and handicap programs.

--Continue to develop efficient, effective, and economical automation systems.

--Continue to refine the Commission's training plans and strategy to provide a more structured and effective program, and continue to conduct on-site microcomputer training courses.

The budget estimates for fiscal year 1991 in the amount of $15,894,000 provide funding for 230 workyears of employment. Compared with the budget authority of $15,452,000 for 1990, the 1991 estimate represents an increase of $442,000, of which $347,000 is for salary and benefit costs to support Commission programs. Travel costs increased by $29,000 and administrative expenses increased by $66,000. This includes $51,000 for increases in office rent; $40,000 for increases in communications, utilities and miscellaneous charges; $13,000 for increases in Government Support Services; $12,000 for increases in supplies and materials; and $55,000 for increases in furniture and equipment. Offset by a reduction of $10,000 for printing, $90,000 for commercial contracts, and $5,000 for transportation of things.

Justification in support of workyears requested for fiscal year 1991 is found in the individual activity decision packages submitted in this budget.

FEDERAL MARITIME COMMISSION

Appropriation: Salaries and Expenses Budget Year: 1990

Summary of Requirements

Appropriation, 1990 (P.L. 101-162)	$15,650,000
Reduction pursuant to Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177)	-198,000
1990 Appropriation (adjusted)	$15,452,000

Requirements

	1990 (Adjusted)	1991 (Estimate)	(Difference)	
Personal Services	$10,832,000	$11,179,000	$ 347,000	
Travel	156,000	185,000	29,000	
Administrative Expenses	4,464,000	4,530,000	66,000	
Gross Requirements	$15,452,000	$15,894,000	$ 442,000	
				442,000
Total Estimate				$15,894,000

FEDERAL MARITIME COMMISSION

Program by Activities

	1989 Actual	1990 Estimate	1991 Estimate
Formal Proceedings	$ 3,442,000	$ 3,784,000	$ 3,977,000
Equal Employment Opportunity	81,000	85,000	110,000
Inspector General	85,000	183,000	208,000
Operational and Administrative	299,000	337,000	370,000
Economic Analysis	660,000	564,000	540,000
Trade Monitoring	1,301,000	1,432,000	1,438,000
Domestic Regulation	1,830,000	1,897,000	1,905,000
Hearing Counsel	831,000	853,000	926,000
Investigations	2,504,000	2,659,000	2,701,000
Administration	2,552,000	3,658,000	3,719,000
Total Obligations	$13,585,000	$15,452,000	$15,894,000

FEDERAL MARITIME COMMISSION

Summary of Personal Services
(in thousands of dollars)

	1989 Actual		1990 Estimate		1991 Estimate		Diff.	
	WY	Amount	WY	Amount	WY	Amount	WY	Amount
Full-time permanent employment (Workyears)	213	$8,384	222	$9,137	227	$9,521	5	$384
Temporary and part-time employment	5	121	4	168	3	108	-1	-60
Other personnel compensation		92		69		75		6
Special personal services payments								
Total Personnel compensation	218	$8,597	226	$9,374	230	$9,704	4	$330
Personnel benefits		1,294		1,458		1,475		17
Total Personnel services		$9,891		$10,832		$11,179		$347

FEDERAL MARITIME COMMISSION

Summary of Employment

OFFICES	1989 Workyears	1990 Workyears	1991 Workyears
Formal Proceedings	45	49	51
Office of Commissioners	11	14	16
Office of Secretary	10	11	11
Office of General Counsel	18	18	18
Office of Admin. Law Judges	6	6	6
Office of Equal Employment Opportunity	1	1	2
Office of Inspector General	1	3	3
Office of the Managing Director	4	4	4
Bureau of Economic Analysis	9	7	7
Bureau of Trade Monitoring	25	27	27
Bureau of Domestic Regulation	40	42	42
Bureau of Hearing Counsel	13	12	13
Bureau of Investigations	45	45	45
Office of the Director	9	9	9
New York District Office	8	8	8
Houston District Office	5	5	5
New Orleans District Office	5	6	6
Miami District Office	3	4	4
San Francisco District Office	7	6	6
Los Angeles District Office	6	5	5

OFFICES	1989 Workyears	1990 Workyears	1991 Workyears
Puerto Rico District Office	2	2	2
Bureau of Administration	35	36	36
Office of the Director	4	4	4
Office of Administrative Services	11	11	11
Office of Budget and Financial Management	6	6	6
Office of Personnel	7	8	8
Office of Special Studies	7	7	7
Total Workyears (FTE)	218	226	230

Other Personal Services Data

The personal services estimates for fiscal year 1991 provide for a total of 230 workyears of employment which is an increase of four workyears and $347,000 over fiscal year 1990. Of this amount, $140,000 is to fund four workyears which were reduced in FY 1990 because of G-R-H reductions, $100,000 is for promotions, withingrades and merit pay; $144,000 is for a proposed 3.5 percent general pay increase (representing a 50% absorption of the total amount) to be effective in January, 1991; $6,000 is for overtime and incentive awards; and $17,000 for FERS and other personnel benefits.

Temporary and part-time employment is estimated at 3 workyears and $108,000. This provides for expert and clerical assistance for peak workloads and substitute help for regular employees on extended leave.

Other personnel compensation includes $14,000 of occasional overtime and $61,000 for performance and incentive awards.

Personnel benefits amount to $1,475,000 for current programs which include $8,000 for cost of living allowances in Puerto Rico, and $1,467,000 for the Government contribution to civil service retirement, FERS, Social Security, group life insurance and health benefits, workmen's compensation and medical benefits and relocation expenses related to permanent change of station.

FEDERAL MARITIME COMMISSION

Travel and Other Administrative Expenses
(in thousands of dollars)

	1989 Actual	1990 Estimate	1991 Estimate	Diff.
Travel	146	156	185	29
Administrative Expenses	$3,548	$4,464	$4,530	$ 66
Transportation of things	7	5	0	-5
Rent	1,686	1,715	1,766	51
Communications, utilities, and miscellaneous charges	425	414	454	40
Printing and reproduction	190	166	156	-10
Other services	938	1,986	1,909	-77
Supplies and materials	159	153	165	12
Equipment	143	25	80	55
TOTAL	$3,840	$4,620	$4,715	$ 95

Explanation of Changes in Travel and Administrative Expenses

Travel - $185,000

Travel requirements for fiscal year 1991 are projected at $185,000, representing an increase of $29,000 from the fiscal year 1990 level.

Travel is increased by $29,000 to permit the Commission to continue aggressive pursuit of violators of the shipping statutes, conduct on-site audits of carriers, and to meet with representatives of the shipping industry to resolve problems through direct negotiations.

Administrative expenses - $4,530

Funding requirements for administrative expenses in fiscal year 1991 reflect a modest increase of $66,000 above the fiscal year 1990 level. A breakdown of these requirements by object class follows:

Transportation of things - $0

This estimate reflects a reduction of $5,000 below fiscal year 1990 estimates.

Rent - $1,766,000

This estimate covers the cost of renting office space and reflects an increase of $51,000 from the fiscal year 1990 level due to GSA increases in rate per square foot charges.

Communications, utilities and miscellaneous charges - $454,000

This category includes payment for telephone and telegraph communications, postage and fees, and rental of copying machines. This estimate reflects a $40,000 increase related to "built-in" current program costs.

Printing and reproduction - $156,000

This category includes a reduction of $10,000 below the fiscal year 1990 level for miscellaneous printing costs.

Other services - $1,909,000

Included in this estimate are services obtained from private contractors for credit reports, maintenance of equipment, reporting services, training and other miscellaneous services. Also included are services furnished by other government agencies for fiscal accounting, health facilities, repair and electrical work, protective services associated with the rental of office space, training and other miscellaneous services. Overall funding requirements for "Other Services" in fiscal year 1991 reflect a decrease of $77,000 (increase of $5,000 for credit reports; $10,000 for training; $5,000 for fiscal services; $6,000 for protective services; and $2,000 for health services; offset by reductions of $5,000 for contractual services and $100,000 for tariff automation).

Supplies and materials - $165,000

An increase of $12,000 above fiscal year 1990 is reflected for the purchase of supplies and materials.

Equipment - $80,000

Furniture and equipment needs are increased by $55,000 to complete the purchasing of automated equipment in accordance with the agency's automation plan.

FEDERAL MARITIME COMMISSION

Formal Proceedings Program

The Offices of Commissioners, Secretary, General Counsel and Administrative Law Judges comprise the Formal Proceedings Program. Within this program, the Commission conducts hearings, renders formal decisions in the disposition of docketed cases, compiles and maintains all official documents arising from proceedings, and conducts external representation activities before the Congress, courts of law, and other agencies. The duties, responsibilities, and accomplishments of the offices within the program are provided in the following summary.

Office of Commissioners

The Chairman of the Federal Maritime Commission is designated by the President of the United States and serves as the chief executive and administrative officer of the Commission. The Chairman's Office serves as a central clearinghouse for disseminating information on the activities, functions, and responsibilities of the Commission to the Congress, the maritime industry, news media, and general public, as well as other government agencies. The Chairman and the other four Commissioners are responsible for establishing the policies of the Commission, making decisions and determinations in the disposition of docketed cases, and ensuring the efficient, equitable, and expeditious resolution of all other matters within the jurisdiction of the Commission. In administering the policies of the Commission, the Chairman delineates the Commission's programs and objectives, meets with representatives of foreign governments and industry groups to present the United States' position on regulation of international liner shipping, and maintains constant liaison with the maritime community and Congress to assure efficient discharge of the agency's statutory responsibilities.

The Commission promulgates rules and regulations to interpret, enforce and assure compliance with the 1984 Act, 1916 Act, 1933 Act, and related shipping statutes. During the fiscal year ending September 30, 1989, the Commission issued 154 final decisions. Of these, 40 were formal proceedings, 86 involved special docket applications, 15 were informal dockets involving shippers' small claims against ocean carriers, and 13 involved service contract docket applications.

	1989	1990	1991
Total Number of Workyears	11	14	16

Office of the Secretary

The Office of the Secretary is responsible for preparing regular agendas of matters subject to consideration by the Commission, forwarding other items to the Commission for its consideration via notation procedures, and preparing the minutes of action taken on these agenda and notation matters; receiving and processing formal and informal complaints involving violations of the shipping statutes and other applicable laws; receiving and processing special docket applications and applications to correct service contracts; issuing orders and notices of actions of the Commission; maintaining official files and records of all formal proceedings; receiving and responding to subpoenas directed to Commission personnel and/or records; administering the Freedom of Information, Government in the Sunshine, and Privacy Acts; responding to information requests from the Commission staff, maritime industry, and the public; authenticating instruments and documents of the Commission; issuing publications and miscellaneous documents submitted in proceedings before the Commission; compiling and publishing bound volumes of Commission decisions; and maintaining and promulgating official copies of the Commission's regulations. The Secretary's Office also participates in the implementation of legislative changes to the shipping statutes.

During fiscal year 1989, the Office of the Secretary continued to process administratively and direct all major filings addressed to the Commission and its component offices, most notably agreements filed under section 5 of the 1984 Act, which must be reviewed and processed within 45 days. Also, the Office began to plan for a more comprehensive automated docket management system in anticipation of a local area network to be installed in fiscal year 1990. Substantial progress was made in developing automated methods for the coding, archiving and editing of appropriate materials to be included in the bound volumes of Commission decisions. Printing for volume 23 was completed in August 1989 and volume 24 should be completed during fiscal year 1990. The Office completed the coordination of the gathering of data regarding cost, length, and frequency of proceedings for inclusion in the section 18 study which was published as mandated by the 1984 Act.

In fiscal year 1990, it is anticipated that a local area network ("LAN") computer system will be operational throughout the Commission. This will facilitate the ongoing GPO project dealing with bound volumes. Numerous refinements to the Commission's Rules of Practice are expected to be introduced in fiscal years 1990 and 1991 to resolve areas of ambiguity and uncertainty.

Informal Inquiries, Complaints, and Informal Dockets

In fiscal year 1989, the Office of Informal Inquiries and Complaints was merged with the Informal Dockets Activity to achieve greater efficiency and better utilization of resources. The Office of Informal Inquiries, Complaints, and Informal Dockets ("OIIC") coordinates the Commission's informal complaint handling activities by receiving, recording and tracking complaints, and assuring timely replies. The Office also assists the general public in securing available informational materials.

In addition, OIIC is responsible for the adjudication of any reparations claim seeking $10,000 or less for alleged violations of the shipping statutes. The vast majority of the claims received to date are directed against ocean common carriers for alleged freight overcharges.

During fiscal year 1989, OIIC processed 1,266 complaints and information requests, including those handled through the District Offices. Complaints from individuals and shippers/importers made up 74 percent of the total received.

In fiscal year 1990, OIIC will complete conversion of its complaints and information request tracking system into a statistical database program. An increase of approximately five percent in the level of complaints received is anticipated during fiscal years 1990 and 1991, primarily as a result of the increased awareness of the Office's services among individual consumers.

	1989	1990	1991
Total Number of Workyears	10	11	11

Office of the General Counsel

The General Counsel provides legal counsel to the Commission. This includes reviewing for legal sufficiency staff recommendations for Commission action, drafting proposed rules to implement Commission policies, and preparing final decisions, orders, and regulations for Commission ratification. In addition, the Office of the General Counsel provides written or oral legal opinions to the Commission, its staff, or the general public in appropriate cases. The General Counsel also represents the Commission before the Courts and Congress and administers the Commission's international affairs program.

Decisions and Rulemakings

The following are adjudications and rulemakings representative of matters prepared by the General Counsel's Office:

Matson Navigation Company, Inc. -- Application for Section 35 Exemption, [Petition No. P5-88], 24 S.R.R. 1518 (January 27, 1989).

The Commission granted a petition filed by Matson Navigation Company, Inc. ("Matson"), allowing Matson a limited exemption from the 30-day notice requirements of the 1933 Act, so that Matson could put into effect on one day's notice reductions in existing individual rates and rates on new tariff items. The Commission found that this exemption was necessary in order to allow Matson to compete with carriers not regulated by the FMC, and should benefit shippers.

Tariff Filing Notice Periods - Exemption, [Docket No. 89-3], 24 S.R.R. 1604 (March 17, 1989).

The Commission amended its tariff filing regulations to permit all FMC-regulated carriers providing port-to-port service in the Hawaiian domestic offshore trade to put into effect on one day's notice reductions in existing individual commodity rates and rates on new tariff items. This action followed the Commission's approval of the aforementioned similar statutory exemption for Matson in Petition No. P5-88. The Commission found that a trade-wide exemption should benefit shippers, stimulate competition and avoid discrimination among carriers.

Actions to Address Adverse Conditions Affecting U.S.-Flag Carriers That Do Not Exist for Foreign Carriers in the United States, [Docket No. 88-24], 24 S.R.R. 1631 (March 16, 1989).

The Commission adopted a Final Rule adding a new part to its regulations to implement the 1988 Act. The new rule sets forth general procedures for investigatory proceedings to address adverse foreign conditions affecting U.S.-flag carriers that do not exist for foreign carriers in the United States. The Commission also amended its rules implementing section 19(1)(b) of the 1920 Act and section 13(b)(5) of the 1984 Act, to add new sanctions made available to the Commission in proceedings under those statutes, pursuant to the 1988 Act.

Service Contracts, [Docket No. 88-16], 24 S.R.R. 1513 (January 12, 1989).

The Commission adopted a Final Rule to allow parties to service contracts filed with the Commission to correct clerical or administrative errors in the essential terms of such contracts. Parties seeking relief must file requests within 45 days of the contract's initial filing with the Commission. Requests for correction must include a supporting affidavit, a concurrence by the other party, and other relevant documents.

Interpretations and Statements of Policy, [Docket No. 88-17], 24 S.R.R. 1368 (October 24, 1988).

The Commission adopted a Final Rule advising that common carriers or conferences may not require a shippers' association to obtain or apply for a Department of Justice Business Review Letter prior to or as part of a service contract negotiation process. The rule was designed to help eliminate unnecessary impediments to the operation of shippers' associations and the negotiation of service contracts.

Service Contracts - "Most-Favored-Shipper" Provision, [Docket No. 88-7], 24 S.R.R. 1351 (November 1, 1988).

The Commission adopted a Final Rule prohibiting the use of "most-favored-shipper" clauses that permit changes to a service contract rate to be based on unpublished offers of other carriers. However, the Commission declined to prohibit clauses that allow a contract rate to meet the published rates of carriers or conferences. The Commission also declined to adopt a rule that would address the use of *de minimis* liquidated damages and, instead, indicated that it would treat such matters on a case-by-case basis.

Hemisphere Navigation Co., Inc. v. Sea-Land Service, Inc. [Docket No. 87-29], 25 S.R.R. 56 (April 28, 1989).

Hemisphere Navigation Co., Inc., a non-vessel-operating common carrier, had filed a complaint alleging that Sea-Land Service, Inc., had misrated 35 shipments to Puerto Rico by applying motor/water rates set forth in a joint through intermodal tariff filed at the Interstate Commerce Commission ("ICC"), rather than the lower rates set forth in Sea-Land's all-water port-to-port FMC tariff. Following an Initial Decision by an administrative law judge finding for Hemisphere, the parties negotiated a settlement whereby Sea-Land agreed to pay reparations representing a substantial percentage of the sum originally sought by Hemisphere.

The Commission approved the settlement, finding it to be a reasonable compromise of the differences between the parties. In addition, the Commission advised that it may examine transportation services provided under intermodal tariffs filed with the ICC in order to adjudicate allegations by a shipper that the services it received in fact were port-to-port services subject to exclusive FMC jurisdiction and should have been assessed FMC-tariffed rates. The Commission concluded that in discharging its responsibilities to protect shippers from unreasonable carrier practices and to safeguard the integrity of the Shipping Act's tariff filing requirements, the FMC does not improperly transgress upon the jurisdiction of the ICC.

Atlantis Line, Ltd. v. American President Lines, Ltd., [Docket No. 87-19], 24 S.R.R. 1391 (October 31, 1988), petition denied, 24 S.R.R. 1641 (March 17, 1989).

The Commission reversed the Initial Decision and found that a disputed American President Lines' tariff provision, "Note N", was clear and unambiguous, and therefore denied Atlantis reparations. The Commission concluded that the discount provided by Note N applied only to those containers shipped after the 100-TEU minimum requirement had been met. Atlantis' subsequent Petition for Reconsideration was rejected for failure to present any arguments or facts which had not been earlier considered by the Commission.

Actions to Adjust or Meet Conditions Unfavorable to Shipping in the United States/Peru Trade, [Docket No. 87-6], 24 S.R.R. 1619 (March 21, 1989).

The Commission issued a Final Rule finding that unfavorable conditions exist in the U.S./Peru oceanborne trade as a result of certain laws and decrees of the Government of Peru. Further, in order to meet or adjust the unfavorable conditions found, the Commission assessed fees for each voyage made by specified Peruvian-flag carriers. However, because of the economic and political conditions present in Peru, the Commission suspended application of the rule's sanctions.

Investigation of Rebates and Other Malpractices -- Yangming Marine Line, [Docket No 87-2], ____ S.R.R. ____ (October 27, 1988).

The Commission initiated this proceeding to determine whether Yangming Marine Line ("YML") had violated the 1916 Act or the 1984 Act by allowing shippers of cotton to Taiwan to obtain transportation at less than the rates shown in its tariffs or service contracts, through the payment of secret rebates or through other unfair or discriminatory practices. An administrative law judge issued an Initial Decision approving a settlement negotiated with YML by the Commission's Bureau of Hearing Counsel, whereby YML agreed to pay $168,667, to cease and desist from making payments or assessing charges on cotton shipments except in accordance with the provisions of its tariffs or service contracts, and to provide the Commission with certain documents and other information. The Commission permitted the Initial Decision to become administratively final.

American Trucking Associations, Inc. - Petition to Issue Order to Show Cause, [Petition No. P8-88], 25 S.R.R. 246 (June 21, 1989).

The Commission denied a petition filed by the American Trucking Associations, Inc. ("ATA"), alleging that certain practices by carriers at Pacific Coast ports stemming from a collective bargaining agreement were identical to the unlawful "50 Mile Container Rules" formerly enforced at Atlantic and Gulf ports. ATA urged the Commission to issue an order to the carriers to show cause why their practices under the labor agreement should not also be found unlawful. The Commission, however, found that unlike the "50 Mile Rules," the Pacific Coast practices did not facially restrict the carriers from releasing their containers to freight consolidators, nor did they place any restraints on the freedom of small shippers to employ such consolidators. The Commission thus denied the petition, without prejudice to the right of ATA or other persons to file a complaint.

Litigation

The General Counsel represents the Commission in litigation before courts and other administrative agencies. Although the litigation work largely consists of representing the Commission upon petition for review of its orders filed with the U.S. Courts of Appeals, the

General Counsel also participates in actions for injunctions, enforcement of Commission orders, actions to collect civil penalties, and other cases where the Commission's interest may be affected by litigation.

The following are representative of matters litigated by the Office:

New York Shipping Association, Inc. v. FMC, 854 F.2d 1338 (D.C. Cir. 1988), cert. denied, ____ U.S. ___, 109 S. Ct. 866 (1989).

The Commission had ruled that the publication and enforcement by ocean common carriers of the "50 Mile Container Rules," whereby cargo originating from or destined to points within 50 miles of Atlantic and Gulf Coast ports were required to be loaded or unloaded at the ocean piers by longshoremen, were unreasonable and unjustly discriminatory and therefore violated the 1916 Act, the 1984 Act and the 1933 Act.

The Commission further had ruled that, under the maritime statutes, the Rules could not be defended on the ground that they were the result of collective bargaining agreements between the carriers and the International Longshoremen's Association ("ILA") intended to preserve work for longshoremen. The Commission concluded that the proper accommodation for national labor policy under the shipping laws was in the construction of the remedy for shipping violations. The Commission accordingly limited the remedy to an order directing the carriers to cease and desist further publication and enforcement of the Rules. However, this order was stayed during the subsequent court review of the Commission's decision.

The U.S. Court of Appeals for the District of Columbia Circuit upheld the Commission's action. The carriers and the ILA then filed a petition for certiorari with the United States Supreme Court. The Commission and the U.S. Solicitor General filed a joint brief in opposition to certiorari. In January 1989, the Supreme Court denied certiorari. The stay of the Commission's cease and desist order subsequently was lifted and the Commission issued an order directing the carriers to comply with the terms of the cease and desist order within seven calendar days. [Docket No. 81-11].

A/S Ivarans Rederi v. Companhia de Navegacao Lloyd Brasileiro, [Docket No. 86-9], 24 S.R.R. 1468 (December 22, 1988).

The Commission denied a complaint of a member of a cargo revenue pooling agreement in the

Northbound Brazil/U.S. Atlantic Coast trade that an interpretation of the agreement by its other members violated the 1984 Act by carrying out actions unauthorized by the agreement. The Commission found, contrary to complainant's contentions, that the proper interpretation of the agreement was that the failure of a major carrier party to the agreement to make the required number of sailings under the agreement did not result in the agreement's suspension, but only in the reduction of that carrier's pool share. The matter is now under review by the Court of Appeals for the District of Columbia Circuit in Nos. 88-1597 and 89-1105, A/S Ivarans Rederi v. USA & FMC.

Agreement Provisions on Loyalty Contracts, [Docket Nos. 87-26 and 88-1], 24 S.R.R. 1395 (October 31, 1988).

The Commission determined that conference agreement provisions which prohibit a conference member from entering into a loyalty contract or from taking independent action for the purpose of entering into a loyalty contract had not been shown to be unlawful under the 1984 Act. The case is now pending decision by the United States Court of Appeals for the District of Columbia Circuit in Nos. 88-1850 and 88-1894, Chemical Manufacturers Association v. USA & FMC.

National Customs Brokers & Forwarders v. United States, 883 F.2d 93 (D.C. Cir. 1989).

The U.S. Court of Appeals for the District of Columbia Circuit upheld the Commission's determination not to institute a rulemaking proceeding to amend its present rules and promulgate new rules relating to the regulation of freight forwarding activities. The court found that the regulations attacked were reasonable exercises of the Commission's rulemaking authority and that the decision with respect to the requested rules was not improper. The Court held that a determination not to institute rulemaking could only be overturned in "the rarest and most compelling of circumstances" involving legal error or change in factual predicate for the agency's action, neither of which was present here.

American Association of Cruise Passengers, Inc. v. Carnival Cruise Lines, Inc.

The Commission filed an amicus curiae brief in a private treble damage antitrust action brought by a discount travel club against a number of ocean passenger lines. The Commission appeared in support of defendants' contention that the plaintiff's allegations of a group boycott constitute charges of Shipping Act violations within the Commission's exclusive jurisdiction, and against the plaintiff's argument that carriers providing round-trip ocean "cruises" are not passenger common carriers within the scope of the Shipping Act. The case is now before the United States Court of Appeals for the District of Columbia Circuit.

Legislative Activities

The General Counsel represents the Commission's interests in all matters before Congress. This includes commenting on proposed legislation, proposing legislation, preparing testimony for Commission officials, and responding to Congressional requests for assistance.

In February 1989, comments were provided to the Committee on Merchant Marine and Fisheries on H.R. 439, a bill to amend the 1984 Act to provide for equitable treatment of U.S. ocean freight forwarders by ocean carrier conferences. The bill would provide conference members a right of independent action on the level of ocean freight forwarder compensation and would prohibit conferences from limiting ocean freight forwarder compensation to less than 1.25 percent of all rates and charges assessed against the cargo.

In April 1989, comments were submitted to the Senate Committee on Governmental Affairs on S. 444, a bill to amend the Federal Advisory Committee Act. The Commission enclosed a copy of a letter submitted to the Office of Management and Budget concerning federal advisory committee operations. In this letter, the Commission advised the Office of Management and Budget that the only existing industry advisory committee sponsored by the FMC is the Section 18 Study Advisory Committee.

Vice-Chairman Carey testified before the House Subcommittee on Merchant Marine at hearings on the domestic offshore trades in February 1989. The domestic offshore trades include water transportation routes between the mainland United States and Hawaii, Alaska, Puerto Rico, the U.S. Virgin Islands, Guam and American Samoa. Unlike the international liner trades, rate levels established by the carriers are subject, within limits, to review by either the FMC or the ICC, depending on the service offered by a carrier. The hearing was designed to examine problems associated with regulation of the Puerto Rico trade by both the FMC and ICC. According to Subcommittee Chairman Walter B. Jones (D-NC), dual regulation has become a source of confusion for companies operating in the Puerto Rico trade. Currently, the FMC regulates port-to-port shipments to and from Puerto Rico, and the ICC has jurisdiction over joint through intermodal movements.

On June 15, 1989, Acting Chairman Carey testified before the House Subcommittee on Merchant Marine at hearings on H.R. 2498, the Intermodal Shipping Act of 1989. H.R. 2498 was introduced by Chairman Jones on May 25, 1989. This legislation is the result of an oversight hearing in San Juan, Puerto Rico on February 16, 1989 on the regulation of the domestic offshore trades.

Testimony was also prepared and coordinated for four other Congressional hearings during fiscal year 1989.

International Affairs

The General Counsel has the responsibility for monitoring and reporting on international maritime developments, including practices of foreign governments which affect ocean shipping. The General Counsel's Office represents the Commission on U.S. Government interagency groups dealing with international maritime issues, and participates as a technical advisor on regulatory matters in bilateral and multilateral maritime discussions.

Several reports and recommendations were prepared and submitted to the Commission on matters arising under section 19(1)(b) of the 1920 Act ("Section 19"). The subject of these Section 19 matters included Peruvian (See Docket No. 87-6) and Ecuadorian cargo reservation laws (See Docket No. 89-7) and restrictions on intermodal activities of carriers operating in the U.S./Taiwan trade (See Docket No. 87-25). In addition, the Commission instituted an investigation under the Foreign Shipping Practices Act of 1988, 46 U.S.C. app. § 1710a ("FSPA"), into alleged "doing business" restrictions and practices of Taiwan authorities which appeared to adversely affect U.S. carriers (See Docket 89-16).

Further, the Commission continues to assess the impact of the laws, regulations and policies of the Governments of Korea, Taiwan and the People's Republic of China, which may unfairly burden or restrict the operations of certain ocean common carriers, including U.S. flag carriers operating in the U.S. trades with these countries, and the U.S. importers and exporters which depend on their services. The Commission is assessing the impact of these nations' laws, regulations and policies to determine whether action under Section 19 or the FSPA is warranted. Of particular concern to the Commission are indications that U.S. flag and possibly other carriers are prevented from conducting shipping and ancillary activities in these trades. The Commission has issued orders and notices regarding these possible impediments to trade in the U.S./Taiwan and U.S./Korea trades.

The Office of the General Counsel participated in interagency groups and international maritime discussions, particularly as technical advisors to the Interagency Maritime Policy Group, whose other members include representatives of the U.S. Departments of Transportation, State, Commerce, and Justice, and the Office of the U.S. Trade Representative. In addition, the Office served as liaison on international shipping matters between the Commission and other U.S. Government agencies, as well as private parties. The Office also coordinated and participated in briefings of foreign visitors to the Commission.

Finally, under the Commission's controlled carrier program relating to the status of controlled carriers, several common carriers were classified as such during the fiscal year.

Significant Ongoing Activities

Korea Shipping Conditions

The Commission initiated an inquiry into the existence and effects of laws, regulations and policies of the Republic of Korea ("ROK") on the ability of U.S.-flag and other non-ROK-flag ocean carriers to undertake ancillary maritime activities in the ROK by service of a Section 15 Order on all non-ROK-flag carriers serving the trade on April 14, 1987. The Section 15 Order requested information on laws, rules, policies or administrative interpretations which prevent carriers from owning or operating their own facilities, or conducting specific shore-side shipping operations. The Commission was particularly concerned that non-ROK-flag carriers are requested to operate through a Korean-owned general agent and are apparently unable to perform their own sales, marketing, contracting, warehousing, trucking and equipment maintenance and repair functions in the ROK.

The responses to the Section 15 Order show a complex pattern of legislation, regulations and administrative agency oversight consisting of some 10 laws and 6 sets of implementing decrees which affect the transaction of maritime-related business activities in the ROK. The restrictions established in these laws and decrees appear to unfairly burden non-ROK carriers and may result in conditions unfavorable to shipping in the trade by preserving certain business opportunities in the ROK for Korean nationals, effectively handicapping non-ROK international shipping lines in their competition with ROK-flag carriers. The Departments of State and Transportation (MarAd) have engaged in consultations with representatives of the ROK Government regarding those issues on several occasions.

Legislation was recently enacted and regulations implemented to permit the U.S. - flag carrier operation of branch offices in the ROK. The Commission is currently reviewing the effect of these developments on the U.S. carriers' efforts to conduct such activities.

Inquiry Into Laws, Regulations and Policies of the Government of Ecuador Affecting Shipping in the United States/Ecuador Trade [Docket No. 89-07]; [Notice of Inquiry] - (54 FR 10,721) (March 15, 1989), [Notice of Further Comments], (54 FR 21,473) (May 1, 1989), [Notice of Proposed Rulemaking]-(54 FR 34, 194) (August 18, 1989).

The Commission received information from Overseas Enterprises Inc. ("OEI"), a U.S.-owned company, and the Department of State, regarding allegations that OEI has been unable to reestablish a liquid bulk service in the U.S./Ecuador trade because of the Government of Ecuador's ("GOE") requirement that OEI employ U.S.-flag vessels in such a service. In response to these submissions, the Commission issued a Notice of Inquiry requesting interested parties to comment on the allegations and on any other laws, regulations or policies of the GOE which may adversely affect shipping in the U.S./Ecuador trade, in order to determine whether action pursuant to section 19 is warranted. The principle Ecuadorian law in question is a Resolution which reserves solid and liquid bulk import cargo from the United States to Ecuador for Ecuadorian-flag vessels or foreign vessels chartered by Ecuadorian shipping companies, or U.S.-flag vessels.

Based on the comments received in response to its Notice of Inquiry, the Commission determined that the Ecuadorian Resolution on its face appears to create conditions unfavorable to shipping in the trade and, to the extent that the Resolution applies only to the U.S./Ecuador trade, it is discriminatory. However, due to questions raised in the comments regarding the status of OEI, the Commission requested further comments to provide interested parties an opportunity to submit additional information on the status and operations of OEI, as well as on conditions in the U.S./Ecuador trade.

Upon review of all comments submitted, the Commission issued a Notice of Proposed Rulemaking to adjust or meet conditions unfavorable to shipping in the trade created by GOE cargo reservation laws. The Commission also noted that the Department of State reports that the GOE was not contemplating any initiatives to allow OEI to operate in the trade. The proposed rule would impose a fee of $100,000 per outbound voyage of Maritima Transligra, S.A., an Ecuadorian-flag carrier, from the U.S. to Ecuador.

Inquiry Into Laws, Regulations and Policies of Taiwan Affecting Shipping In The United States/Taiwan Trade, [Supplemental Section 15 Order], 24 S.R.R. 1045 (June 22, 1988).

The Commission issued a Section 15 Order seeking additional information regarding shipping conditions in the U.S./Taiwan trade. The Order noted that although there had been positive developments in the trade, there remained matters which caused continuing concern over certain practices and conditions in the trade. Subsequently, on July 21, 1989, the Commission initiated a formal proceeding under the 1988 Act investigating various restrictions affecting the intermodal operations of U.S. - flag carriers in Taiwan. *See* Docket No. 89-16, *Actions to Address Conditions Affecting United States Carriers That Do Not Exist for Foreign Carriers in the United States/Taiwan Trade*. Based on commitments to resolve certain shipping issues, anticipated progress on other issues, and the absence of any request for sanctions against foreign carriers, the Commission discontinued the proceeding in Docket No. 89-16.

	1989	1990	1991
Total Number of Workyears	18	18	18

Office of Administrative Law Judges

Administrative Law Judges conduct hearings and render decisions in adjudicatory proceedings held after receipt of a complaint, or when instituted by the Commission. Judges have authority to administer oaths and affirmations; issue subpoenas; rule upon motions and offers of proof; receive evidence; take depositions; regulate the course of hearings; hold prehearing conferences for the settlement or simplification of the issues involved; dispose of procedural requests; and take any other action authorized by agency rule or the Administrative Procedure Act.

The case load of the Office is governed by the number of complaints and applications filed, the number of formal proceedings instituted by the Commission on its own motion, and other matters assigned in furtherance of the Commission's regulatory functions. Proceedings which come before the Administrative Law Judges include, but are not limited to, the adjudication of discriminatory practices between various parties subject to the Shipping Acts, and adjudication of shipper complaints and domestic rate cases.

At the beginning of fiscal year 1989, there were 32 formal proceedings pending. Through the fiscal year ending September 30, 1989, 135 new formal proceedings were added; one proceeding was settled formally, and seven were dismissed or discontinued; two formal oral hearings were conducted; prehearing conferences were held in 17 cases; 101 initial decisions were issued; and there were 58 formal proceedings pending at the end of the fiscal year. Of the 101 initial decisions issued, four were subsequently adopted by the Commission, and 80 became administratively final. Most of the other 17 decisions were pending consideration at the end of the fiscal year.

During fiscal years 1990 and 1991, the Office will conduct hearings and render decisions on adjudicatory proceedings.

	1989	1990	1991
Total Number of Workyears	6	6	6

Equal Employment Opportunity Program

The Office of Equal Employment Opportunity applies knowledge of Federal EEO and personnel management concepts, procedures and regulations to develop and manage a comprehensive program of equal employment opportunity. The Office works independently under the direction of the Chairman to provide advice to Commission management in improving and carrying out its policies and programs of non-discrimination and affirmative action program planning. The Office directs the affirmative action program planning and complaints adjudication programs with the assistance of collaterally assigned EEO counselors and Special Emphasis Program Coordinators. The Office works closely with the Office of Personnel, managers and supervisors to: (1) improve recruitment and representation of minorities and women in the workforce; (2) provide adequate career counseling; (3) facilitate early resolution of employment related problems; and (4) develop program plans and progress reports.

The Office arranges for counseling of employees who raise allegations of discrimination; provides for the investigation, hearing, fact-finding, adjustment, or early resolution of such complaints of discrimination; and, monitors and evaluates the program's impact and effectiveness.

Significant accomplishments in fiscal year 1989 include the following: (1) developed and implemented an EEO briefing for all new employees; (2) planned, developed and coordinated extensive internal and external special emphasis programs for employee participation; (3) broadened the nationwide EEO information, training and counseling support network for FMC to include the New Orleans District Office; (4) provided in-depth technical support and training for the Bureau of Investigations; (5) initiated and implemented FMC's first Intergovernmental Personnel Assignment with an historically Black college; (6) in concert with the Office of Personnel, developed and implemented targeted recruitment strategies in selected areas; (7) utilized external sources for EEO counselor training at no cost to FMC; (8) increased minority and female representation throughout the organization; and, (9) improved minority and female participation in Agency decisionmaking.

During fiscal years 1990 and 1991, the Office will continue its existing programs and initiate activities designed to increase management and employee understanding of EEO principles and participation in EEO activities.

	1989	1990	1991
Total Number of Workyears	1	1	2

Office of the Inspector General

The Office of Inspector General ("OIG") was established pursuant to the passage of Public Law 100-504, which amended the Inspector General Act of 1978 ("1978 Act") (5 U.S.C. App. 3) by creating additional statutory Offices of Inspector General in various designated Federal agencies, including the FMC.

The purpose of the 1978 Act, as amended, and as applicable to the FMC, is to create an independent and objective unit to conduct audits; review operations and programs; investigate possible fraud, waste and abuse of Commission resources; and promote economy, efficiency and effectiveness in programs and operations administered by the FMC.

At the FMC the OIG is currently staffed by the Inspector General ("IG"), one auditor and one clerical worker. The IG works independently under the general supervision of the Chairman. The IG does not report to, and is not subject to supervision by, any other officer or employee of the FMC.

Fiscal year 1989 was a year of implementation for the OIG. Prior to the establishment of the Office on February 26, 1989, the inspector general function had been handled by the Commission's Assistant Secretary as a collateral duty. There was no comprehensive audit capability and the primary emphasis was reactive, responding to allegations of fraud, waste and abuse in Commission programs and operations.

During fiscal year 1989, the auditor and clerical positions were filled, space located for the Office, and equipment and furniture acquired. Programs and policies have been implemented, including the issuance of Commission Order No. 113, which relates to the inspector general activity and a circular to all agency employees outlining the audit function. In addition, a comprehensive review of FMC operations and programs was undertaken, with the assistance of a consultant, to determine auditable entities and audit priorities. Recommendations stemming from that study have been evaluated to determine their applicability to the agency.

During fiscal years 1990 and 1991, the OIG will continue to implement the new inspector general activity. This will include issuance of circulars to agency personnel advising them of different types of audits, operations review, and investigations. A comprehensive program to inform personnel of types of prohibited activities will also be undertaken. In accordance with the annual audit plan, various audits will be conducted, and as the need arises, investigations pursued.

	1989	1990	1991
Total Number of Workyears	1	3	3

Operational and Administrative Program

Office of the Managing Director

The Office of the Managing Director is responsible for the direct administration and coordination of Commission staff activities and programs to ensure the timely and proper achievement of Commission goals and objectives. The Office provides direct administrative and technical supervision to the Bureaus of Trade Monitoring, Domestic Regulation, Economic Analysis, Hearing Counsel, Investigations, and Administration, and furnishes administrative direction to the Offices of the Secretary, General Counsel, Administrative Law Judges, Equal Employment Opportunity, and the Inspector General. This requires the Managing Director to: make final determinations on all significant personnel, travel, budgetary, and administrative matters; oversee the development and operations of various Commission programs; and recommend new programs and necessary changes in staff objectives. The Office is currently: (1) guiding the development of the agency's ATFI system; (2) directing, under Commissioner Ivancie's oversight, the development and implementation of the agency's new Strategic Plan; (3) monitoring the installation of a Commission-wide Local Area Network which will ultimately be utilized for the ATFI system; and (4) directing a scaled-down collection of data relative to the report required by Section 18 of the 1984 Act. The Office will also oversee any staff assistance provided to the Advisory Commission on Conferences in Ocean Shipping.

A significant achievement of the Office during fiscal year 1989 was the continued coordination of an enhanced enforcement program involving all operating Bureaus. Several aspects of the major initiative in the Trans-Pacific trade were addressed and concluded, with further action contemplated for FY 1990. The necessary planning and initial groundwork also was completed for future enforcement programs.

The Office's key objectives for fiscal years 1990 and 1991 are the continued coordination of staff efforts regarding the development of ATFI, the expansion of the enhanced enforcement program, and the correction of the Material Weaknesses identified in the 1988 Federal Managers' Financial Integrity Act report.

Information on Consulting Services

In accordance with section 1114 of Title 31 of the U.S. Code, the Commission is providing the following information on consulting services including a brief description of the need for the consulting services, the major programs requiring these services, and amounts requested for FY 1990 and 1991. These amounts are to be paid out of the Contractual Services account within the Salaries and Expenses appropriation.

Management and Professional Support Services: There are three activities within this category: tariff automation, auditing services for the Commission's IG, and personnel services. The justification of each follows:

1. Tariff Automation (Automated Tariff Filing & Information System)

The FMC is a small regulatory agency with limited personnel resources. It is responsible for the regulation of oceanborne transportation in the foreign commerce and in the domestic offshore trade of the United States. The Commission has no internal expertise in procurement or design of major computer systems.

In FY 1990 and 1991, consultants will be required to give legal and technical advice (contract administration, engineering change proposals, disputes, contracting for later phases), provide independent validation and verification of technical contract deliverables, and advise concerning development and operation of the system. The estimated cost of these services in FY 1990 is $95,000 and in 1991 is $75,000.

2. Inspector General Activities - Auditing

In FY 1990 and 1991, a consultant will assist in conducting various audits in the Commission such as the tariff automation program and will conduct operations review and investigations. The estimated cost of this service in FY 1990 is $15,000 and in FY 1991 is $9,000.

3. Personnel Services

In FY 1990 and 1991, the services of a consultant will be retained to conduct studies of various Commission organizational entities in order to ensure a more efficient and effective operation. The estimated cost of this service in FY 1990 is $5,000.

Total estimated cost in FY 1990 is $115,000.
Total estimated cost in FY 1991 is $84,000.

	1989	1990	1991
Total Number of Workyears	4	4	4

Economic Analysis Program

The Bureau of Economic Analysis provides economic, statistical, and financial analyses for the Commission. The Bureau also augments the Commission's planning capabilities and enhances the agency's responsiveness to new developments and economic trends in the U.S. ocean commerce and the liner shipping industry. The Bureau is responsible for the following basic functions: (1) the primary research and analysis for the Commission's strategic planning efforts; (2) preparing economic and statistical research and reports; (3) ensuring that the Commission is informed about the economic developments in liner shipping; (4) developing studies and analyses for the formulation of proposed Commission objectives; (5) maintaining an information network to ensure that the Commission's policy decisions and other actions are developed on a valid economic basis; (6) conducting economic research and studies necessary for the Commission to fulfill its regulatory responsibilities; (7) providing expert economic testimony and assistance to other components of the Commission; (8) maintaining liaison with government agencies and international organizations to inform and brief the Commission on various matters.

The Bureau's most significant accomplishment during fiscal year 1989 was completion of the required five year study of the impact of the 1984 Act, and preparation of various chapters of the report to the Congress, the Advisory Commission on Conferences in Ocean Shipping, and certain U.S. executive agencies, as required in section 18 of the Act, 46 U.S.C. app. 1717. To this end, the Bureau prepared reports required by section 18(a) of the 1984 Act. These reports concern the impact of the 1984 Act on the level of tariffs, service to ports and geographic regions, number and strength of independent operators, and the cost of major regulatory proceedings. Information to answer these questions was obtained from a variety of sources, including Census statistics, FMC tariff files, Lloyds' of London, and industry participants. Additional information on the subjective views of affected parties was obtained from industry surveys. Surveys were sent to over 5,000 entities in the carrier, shipper, port, private marine terminal operator, NVOCC, freight forwarder and shippers' association communities. The Bureau also prepared reports required by Section 18(c) of the 1984 Act. The reports require the Commission to evaluate: the need for tariff filing and enforcement, the need for port antitrust immunity and whether tariffs should be based on the volume or mass of shipments. The information required for these reports was based on evaluation of the pros and cons of each issue in terms of the impact of the current system and the alternative, and on the subjective view of the parties. These views were obtained from both the surveys and the Section 18 Study Advisory Committee. In fiscal year 1989, the Bureau also: conducted a second meeting of the Section 18 Study Advisory Committee, which was formed for the purpose of assisting the Commission in the conduct of its Section 18 study (papers from this meeting were useful in the preparation of the Commission's Section 18 Report; calculated rate-of-return on total capital, debt/equity structures, interest yields and inflation indices for use in fair rate-of-return comparisons for carriers in the domestic offshore trades; analyzed current trade conditions and world economic trends affecting the U.S. liner fleet; and prepared papers, speeches and letters for various agency officials.

Specific objectives for fiscal years 1990 and 1991 include the following: (1) respond to any questions/comments on the Section 18 Report prepared by the Commission; (2) prepare documents or otherwise assist the Advisory Commission on Conferences in Ocean Shipping; (3) prepare for a possible third symposium on the 1984 Act; (4) continue -- on a scaled down level -- the gathering of information on the impact of the 1984 Act for the Advisory Commission on Conferences in Ocean Shipping and Congress to ensure that decisions are made on the basis of current facts; (5) continue work on the Commission's strategic plan which will become the framework for the Commission to use in the development of its programs and in the general process of allocating resources to the various program areas; and (6) prepare economic and rate-of-return analysis for regulation of the domestic offshore trades.

	1989	1990	1991
Total Number of Workyears	9	7	7

Trade Monitoring Program

The Bureau of Trade Monitoring plans, develops and administers the Commission's programs under the 1984 Act, 46 U.S.C. app. 1701-1720, and the 1916 Act, 46 U.S.C. app. 801-842, with regard to the (1) monitoring of general trade conditions and surveillance of individual and concerted carrier activity; (2) processing and analysis of carrier agreements; (3) gathering and evaluation of information and preparing reports updating certain areas of the Commission's 1984 Act section 18 study; and, (4) support of formal proceedings in the Bureau's areas of expertise. Fiscal year 1989 marked the second full year of the Bureau's operation under a reorganization plan to improve the Commission's overall monitoring capabilities.

The Bureau has three operating offices, i.e., two Monitoring Offices (Trade Groups I and II) and the Office of Agreements and Information Management. The Bureau Director is responsible for the supervision, administration and operation of these operating components. The Monitoring Offices develop and administer programs overseeing individual and concerted carrier activities, carriers' dealings with shippers, activities of state-controlled carriers in U.S. commerce, and overall U.S. liner trade conditions. The Office of Agreements and Information Management is responsible for the processing and pre-effectiveness analysis of carrier agreements, as well as overall Bureau information resource management. The Monitoring Offices and the Office of Agreements and Information Management frequently collaborate on major Bureau projects.

Although the 1916 Act and the 1984 Act parallel each other in many substantive respects, they apply to different segments of U.S. oceanborne trade, and they have substantially different standards, procedures and applications, particularly in the area of carrier agreements. The 1984 Act governs activities and agreements in United States foreign commerce; the 1916 Act governs similar conduct in United States domestic offshore commerce. An agreement's statutory effectiveness under the 1984 Act, or approval under the 1916 Act, confers antitrust immunity upon the activity authorized under the agreement's terms.

Agreements subject to the 1984 Act are processed and analyzed under strict statutory deadlines whereby they become effective 45 days after filing, unless they are rejected by the Commission, made the subject of a formal Commission request for additional information, or are enjoined by a U.S. district court. The 1984 Act empowers the Commission to investigate and order the disapproval, cancellation or modification of agreements it finds to be in violation of the Act's mandatory provisions or its prohibited acts section, in which event the Commission may seek U.S. district court injunctive relief pending the investigation's conclusion.

Agreements subject to the 1916 Act are processed and analyzed in accordance with that Act's "public interest" standard. The 1916 Act also empowers the Commission to investigate and order the disapproval, cancellation, or modification of an agreement that it finds to be in violation of the 1916 Act.

The Bureau places particular emphasis upon the systematic monitoring of trade conditions and the surveillance of carriers' activities under effective agreements to identify and initiate appropriate action against agreements being utilized in a manner contravening the 1984 Act's standards, and to assure activity that is in the best interests of United States waterborne commerce.

Trade Monitoring Activities

In order to keep the Commission and its staff apprised of current trade conditions, emerging trends, and regulatory needs impacting on waterborne liner transportation, the Bureau develops and maintains trade studies, profiles of major trades, monitoring reports, agreement profiles and special projects to identify and track relevant competitive and economic activity in selected major U.S. oceanborne trades. The Bureau's monitoring activities include surveillance programs to identify: (1) concerted activity without an effective agreement on file with the Commission, or concerted activity exceeding the scope or authority of such an agreement; (2) activity contravening the mandatory conference/interconference agreement provisions required by sections 5(b) and 5(c) of the 1984 Act; (3) the prospective or actual emergence of unreasonable transportation service/cost impacts contravening the 1984 Act's section 6(g) "general standard"; (4) controlled carrier activity in areas relevant to the Commission's administration of section 9 of the 1984 Act; (5) the occurrence of prohibited acts proscribed under section 10 of the 1984 Act; and (6) whether the continued operation of an effective agreement in its present form is consistent with the statute and current Commission decisions, rules and policies. The Bureau develops profiles of major trade areas to assist in the surveillance of carriers' implementation of their agreements and related activities, to determine compliance with regulatory requirements and to ascertain the competitive posture of carriers, shippers, and shippers' associations within each trade. Also, special reports are developed as required to inform the Commission and staff of key developments in the maritime industry.

The Bureau's oversight of carrier activities and trade conditions is accomplished by contacts with carriers, shippers, and shippers' associations and by the examination and analysis of shipping databases depicting cargo movements and rate and service levels; minutes of meetings of conference, interconference, rate, pooling, equal access, and discussion agreements; agreement, tariff and service contract filings; trade press reports and articles; operating reports; shippers' complaints; and, periodic conference index of documents filings. Such monitoring alerts the staff to potential regulatory problems and the Bureau initiates appropriate corrective and/or enforcement action to address questionable or unlawful activity.

During fiscal year 1989, the Bureau received 1,449 minutes of agreement meetings, 120 reports related to shippers' requests and complaints, 3 agreement operating reports, 6 pooling reports, and 254 indices of documents.

In fiscal year 1989, the Monitoring Offices produced another volume in a series of periodic Monitoring Reports, which provide timely analysis of emerging trends in agreement filings, conference market shares, and U.S.-flag participation in key subtrades. The Offices also completed: (1) extensive monitoring reports on the U.S./China and U.S./Hong Kong trades; (2) a detailed analysis and recommendation regarding a complaint against a major Trans-Pacific conference's freight-all-kinds rates; (3) a preliminary economic impact analysis of the Commission's North Atlantic Amnesty Program; (4) a preliminary analysis of the operational aspects of car carriers and the significance of such carriers executing and filing agreements with the Commission under the 1984 Act; (5) a report on estimated operating costs and revenues for certain South American carriers; (6) an analysis of trade data in the Ivory Coast/U.S. inbound trade regarding an allegation of government-imposed restrictions affecting the carriage of certain cargoes; and (7) an analysis of the potential harm resulting from certain Taiwanese laws and regulations as they applied to the intermodal operations of U.S.-flag carriers in Taiwan. The Offices also submitted a recommendation, in response to a filed petition, that the Commission investigate the continued approvability of the Guam Rate Agreement under the 1916 Act.

Other projects the Monitoring Offices were involved in during fiscal year 1989 include: (1) the monitoring of activities of the parties to a discussion agreement in the Australian trades; (2) analysis of reports from a major Trans-Pacific conference on its cost of publishing independent actions on behalf of its members; (3) addressing problems experienced by certain shippers' associations in negotiating service contracts with conferences; and

(4) preparing a number of carrier profiles to assist in determining the status of potential controlled carriers.

In fiscal years 1990 and 1991, the Monitoring Offices will continue their preparation of a series of monitoring reports covering selected major U.S. trades as well as annual reports on the activities of controlled carriers. The Bureau will continue to provide assistance for Commission investigative and enforcement activities where warranted and as needed.

Agreement Activities

The Bureau's carrier agreement activity consists of: (1) processing carrier agreement filings under the procedures of the 1984 and 1916 Acts; (2) conducting a comprehensive review and analysis of all pertinent legal and commercial facets of carrier agreements in order to recommend appropriate action to the Commission on the disposition of filed agreements; (3) making recommendations for the rejection of carrier agreements and supporting documents that fail to comply with governing regulations; (4) making appropriate recommendations on applications for the waiver of applicable format requirements; and (5) maintaining the Commission's official agreement archives.

During fiscal year 1989, the Bureau reviewed 277 carrier agreement filings. The types of agreements handled during the year included conference agreements, pooling and equal access agreements, joint service and consortia agreements, space charter and sailing agreements, and discussion agreements.

Section 18 Study

During fiscal year 1989, the Bureau completed its assigned chapters and reports for the Commission's 5-year study of the 1984 Act's impact upon the international ocean shipping industry. As part of the study required by Section 18 of the Act, the Bureau prepared an overview of the international shipping industry in the areas of containerization, intermodalism, exit and entry patterns, and export and import trends before and after the Act's passage, as well as analyses of: (1) changing trends in selected critical U.S. trades, namely, Europe, Asia, the Mediterranean, South America, and Australia; (2) carrier agreements filed before and after the Act's passage, including special analysis on selected topics such as section 6(g) of the 1984 Act, loyalty contracts and neutral-body self policing; (3) the economic implications of the North Atlantic Amnesty Program; (4) the number, types and characteristics of service contracts filed; (5) conference independent action activity in tariffs; (6) the issue of independent action relative to service contracts; and (7) an overview of state-controlled carriers operating in U.S. trades.

Formal Proceedings Support

The Bureau furnishes support to formal Commission proceedings arising in the areas of its expertise. Such support ranges from the development of proposed rules, analysis of comments and the drafting of final rules, to staff support of Commission fact finding investigations, to cases focusing upon violations of the 1984 Act or 1916 Act. In fiscal year 1989, the Bureau furnished support in connection with several docketed proceedings: Fact Finding Investigations No. 17, Rates, Charges and Services Provided at Marine Terminals and No. 18, Rebates and Other Malpractices in the Trans-Pacific Trades; Docket No. 88-24, Proposed Rule to Implement the Foreign Shipping Practices Act of 1988; Docket No. 88-26, Agreements by Ocean Common Carriers and Other Persons Subject to the Shipping Act of 1984; Petition No. 6-88, Guam Rate Agreement; Docket No. 89-05, The Guam Rate Agreement; Petition No. P2-89, Cruise Lines International Association - Application for Section 16 Exemption; and matters arising in connection with the Transatlantic Enforcement Initiative.

The Bureau's support of formal proceedings during fiscal years 1990 and 1991 will turn on the number and subject matter of the proceedings initiated over the period. The extent of involvement is anticipated to continue in line with the fiscal year 1989 level. For fiscal year 1991, one additional transportation specialist position is requested to aid in the monitoring effort.

	1989	1990	1991
Total Number of Workyears	25	27	27

Domestic Regulation Program

The Bureau of Domestic Regulation: (1) plans, develops, administers and analyzes programs and activities in connection with pricing by common carriers by water, conferences of such carriers, and terminal operators in the foreign and domestic offshore commerce of the United States; (2) reviews and maintains both new and amended tariff pages, rejecting those which fail to conform to the Commission's regulations; (3) approves or disapproves special permission applications involving requests to deviate from certain tariff filing rules; (4) processes service contracts and essential terms publications filed by ocean common carriers and conferences of such carriers; (5) initiates recommendations, collaborating with other offices of the Commission as warranted, for formal action and proceedings by the Commission; (6) plans, develops, administers and analyzes programs for processing, evaluating, and monitoring agreement activity of marine terminal operators; (7) is responsible for the licensing of ocean freight forwarders under the provisions of the 1984 Act; and, (8) under Public Law 89-777, is responsible for the certification of owners and operators of passenger vessels with respect to the financial responsibility of such owners and operators to satisfy liability incurred by nonperformance of voyages or resulting from injury or death. Thus, the Bureau is responsible for all tariffs filed by ocean common carriers and terminal operators; marine terminal agreements; service contracts; the licensing of ocean freight forwarders; and the certification of passenger vessels for financial responsibility. The Bureau develops long-range plans, new or revised policies and standards, and rules and regulations, with respect to its program activities. The Bureau also cooperates with other Commission components with regard to enforcement of the Commission's regulatory requirements.

Four separate offices under the supervision of the Office of the Director carry out the Bureau's responsibilities enumerated above. Freight forwarder and passenger vessel matters are the responsibility of the Office of Freight Forwarder and Passenger Vessel Operations. The examination, maintenance and monitoring of marine terminal operator agreements and tariffs are carried out by the Office of Terminal Operations. The Office of Carrier Tariff and Service Contract Operations is responsible for administering the service contract, anti-rebating and other tariff related programs, as well as maintaining the regulated persons, service contract, and tariff profile automated database systems. The Tariff Control Center maintains the Commission's Tariff Library.

Foreign Tariff Activity

Section 8 of the 1984 Act, 46 U.S.C. app. 1707, requires the filing of rates, charges and rules describing practices of common carriers operating in the U.S. foreign commerce. A major objective of the tariff program is to ensure that all tariffs comply with statutory requirements and the tariff regulations of the Commission. The Bureau: (1) reviews and files all new tariffs and tariff pages amending existing tariffs, and maintains a library of active tariffs, service contract essential terms, and microfiche records of canceled tariff pages; (2) acts upon applications for special permission to file tariffs on less than statutory notice or to deviate from other tariff filing rules and regulations; (3) rejects improperly or incorrectly filed tariffs and amended tariff pages or recommends alternative appropriate action; (4) prepares for submission to the Commission recommendations regarding tariff filing activities and regulations; (5) maintains records of common carrier and freight forwarder anti-rebate certifications; and, (6) provides support to other Commission components with respect to matters within the Bureau's scope of authority.

During fiscal year 1989, the Bureau received and reviewed 739 new foreign tariffs of which 141 were rejected. In addition, 725,093 tariff pages amending existing tariffs were received and 182 foreign special permission applications were processed.

The Bureau also monitors the tariff filings of controlled carriers. A controlled carrier is an ocean common carrier whose operating assets are directly or indirectly owned or controlled by the government under whose registry the vessels of the common carrier are operated. The Bureau reviews controlled carrier tariff filings to assure that the required advance notice for rate increases and decreases is given. During fiscal year 1989, controlled carriers filed 11,323 tariff pages. The Bureau also acted on 12 special permission applications filed by controlled carriers.

Service Contracts

The 1984 Act permits carriers and conferences to enter into service contracts with shippers or shippers' associations. Service contracts entered into under section 8(c) of the 1984 Act, 46 U.S.C. app. 1707(c), are filed confidentially with the Commission. At the same time, a concise statement of every contract's essential terms must be filed with the Commission and made available to the general public in tariff format. The Bureau must ensure that the contracts and essential terms filings conform to statutory and regulatory requirements.

During fiscal year 1989, the Bureau received 5,215 service contracts. These contracts were filed by 75 individual ocean common carriers and 25 conferences. The contracts involved 7,604 shippers and the entire scope of the U.S. foreign commerce, both inbound and outbound.

Domestic Tariff Activity

Common carriers operating in the U.S. domestic offshore commerce are required pursuant to section 18 (a) of the 1916 Act, 46 U.S.C. app. 817, and section 2 of the 1933 Act, 46 U.S.C. app. 874, to file tariffs of rates, charges and rules with the Commission. The Bureau must ensure that these tariffs comply with applicable statutory requirements. The Bureau also receives, reviews and analyzes annual financial reports filed by such carriers as well as financial data filed in connection with certain rate increases.

During fiscal year 1989, there were 46 new domestic offshore tariffs received of which 15 were rejected. The Bureau also processed 23 domestic special permission applications and 4,084 tariff pages amending existing tariffs, and analyzed 28 annual financial reports and two financial reports in connection with rate increases.

Marine Terminal Tariff Activity

Terminal operators are required to file tariffs of rates, charges, rules and practices pursuant to 46 C.F.R. Part 515 of the Commission's regulations, which implement statutory responsibilities set forth in section 17 of the 1916 Act, 46 U.S.C. app. 816, and section 10 of the 1984 Act, 46 U.S.C. app. 1709.

At the end of fiscal year 1989, there were 460 terminal tariffs on file. The Bureau received and processed 5,071 tariff pages amending existing tariffs during fiscal year 1989. These tariff filings are expected to increase approximately 5 percent in each of the next two years.

During fiscal year 1989, the Bureau also implemented portions of an overall surveillance program designed to monitor the agreement and tariff activity of marine terminal operators.

Marine Terminal Agreement Activity

Marine terminal operators are required to file with the Commission agreements among themselves or with common carriers by water.

Section 15 of the 1916 Act, 46 U.S.C. app. 814, authorizes the Commission to approve such agreements relative to cargo moving in the domestic offshore commerce of the United States, which gives the parties immunity from the antitrust laws with respect to activities within the scope of the agreement. Section 6 of the 1984 Act, 46 U.S.C. app. 1705, permits agreements relative to cargo moving in the foreign commerce of the United States to go into effect 45 days or sooner after filing. Activities undertaken pursuant to agreements effective under the 1984 Act are also exempt from the antitrust laws.

During fiscal year 1989, the Bureau processed 283 terminal agreements. Agreement filings are expected to increase approximately 10 percent for each of the next two years because of the continued development of port facilities and services for handling intermodal cargo movements. Also during fiscal year 1989, 462 pages of minutes of meetings held by marine terminal conferences were received and reviewed to assess the conferences' compliance with applicable laws and regulations.

Freight Forwarder Operations

The Commission's statutory authority for the licensing of ocean freight forwarders is contained in section 19 of the 1984 Act, 46 U.S.C. app. 1718.

The Commission administers the following programs with regard to ocean freight forwarders: (1) licensing applicants; (2) processing surety bonds; (3) processing license transfers and other organizational changes; and (4) post-licensing surveillance. These programs enable the Commission to maintain effective surveillance over the technical qualifications and financial responsibility of ocean freight forwarders operating in the U.S. foreign commerce.

The Commission received 249 applications for ocean freight forwarder licenses and for approval of the transfer of licenses or other organizational changes during fiscal year 1989, while 57 applications were pending at the end of fiscal year 1988. Of these, 86 license applications were approved, six were withdrawn, one was denied, and 62 were returned to applicants because of deficiencies which prevented processing; and 58 applications for transfers or other organizational changes were approved; and eight were withdrawn or returned because of deficiencies. Eighty-five applications were pending at the close of fiscal year 1989.

During fiscal year 1989, 88 ocean freight forwarder licenses were revoked, resulting primarily from the licensees' failure to maintain the required surety bond on file, 83 new licenses were issued, and 16 licenses were reissued. At the end of the fiscal year, 1600 licensed forwarders were operating under the Commission's jurisdiction.

On-site surveillance investigations are conducted by the Commission's Bureau of Investigations as part of an effort to ensure that ocean freight forwarders comply with the provisions of the 1984 Act and applicable regulations. During fiscal year 1989, the Bureau received 66 investigative reports. Two reports were pending review at the beginning of the fiscal year. Review of these reports produced the following results: 39 warning letters to licensees which address deficiencies in their operations; one case referred to the Bureau of Hearing Counsel for civil penalty action; and, 17 cases requiring no formal action. Eleven reports were pending review at the close of fiscal year 1989.

Other freight forwarder activity during the year included the handling of nine informal complaints, the majority of which involved monies owed by forwarders to shippers and carriers; the processing of 738 surety bond actions; and, the receipt of 19 reports of claims against forwarder surety bonds totaling $171,000.

Passenger Vessel Operations

The Commission's jurisdiction over passenger vessel operators involves the administration of sections 2 and 3 of Public Law 89-777, 46 U.S.C. app. 817d and 817e. The statute applies to owners, charterers, and operators of U.S. and foreign-flag vessels which have berth or stateroom accommodations for 50 or more passengers and which embark passengers at U.S. ports.

During fiscal year 1989, the Commission processed 59 applications for passenger vessel certificates involving 84 separate vessel certifications. Twenty-one were new performance certificates; 17 were new casualty certificates; 42 were amendments to existing certificates; and, 4 vessel certification requests were withdrawn. Holders of passenger vessel certificates have on file with the Commission evidence of financial responsibility in excess of $250 million for performance certification and over $1 billion for casualty certification.

Financial Analysis

The Bureau provides accounting and financial expertise to ensure the reasonableness of rates of common carriers in the domestic offshore waterborne commerce of the United States. To accomplish these objectives, the Bureau: (1) develops annual and special financial reporting formats to ensure disclosure of financial data which is uniform, accurate, and comprehensive; (2) recommends and prescribes accounting and reporting procedures; (3) conducts examinations of accounts, records, reports and financial statements to assure compliance with Commission regulations; (4) prepares reports and appears in proceedings where rates, costs, or accounting matters are paramount issues; and, (5) conducts special studies and prepares analytical reports of a financial nature for other components of the Commission.

During fiscal year 1989, the Bureau participated in continuing programs which included collecting financial and operating data from carriers in the domestic offshore trades and offering financial expertise with respect to passenger vessel certification. A full on-site audit was conducted for unearned passenger vessel revenue collected by one passenger vessel operator. Accounting assistance was provided to the Bureau of Hearing Counsel in connection with its enforcement program and litigation activities.

Section 18 Study Activities

During fiscal year 1989, the Bureau was engaged in ongoing compilation and analyses of data, and the preparation of written submissions for the Commission's Section 18 Study. Subjects addressed by the Bureau in the report included various aspects of tariffs; service contracts; port and terminal activities; and, the impact of the 1984 Act on various intermediaries (freight forwarders, shippers' associations, etc.). The Bureau also provided substantial ADP data support to other Commission components as an aid in the preparation of other portions of the Section 18 Study.

Automated Database Systems

The Bureau maintains the following automated database systems: (1) the service contract system; (2) the regulated persons index; (3) the tariff profile system; (4) the microfiche system; and, (5) the ocean freight forwarder licensing program system. The service contract system provides certain key service contract data, such as geographics, shipper names, commodities, rates, etc. The regulated persons index lists each person the Commission regulates and provides their addresses and business names. The tariff profile system lists key data on tariffs on file with the Commission. The microfiche system provides a means of locating canceled tariffs which have been microfiched. The system for the ocean freight forwarder licensing program provides essential data on applicants and licensees, including information relative to the surety bonds filed by licensees.

The Bureau is continuing to automate its terminal agreement and terminal tariff data to operate in conjunction with other Bureau databases. During fiscal year 1989, additional primary data were compiled, and systems design and programming were completed. Testing of the system will begin in fiscal year 1990.

Rulemaking and Docketed Proceedings

The Bureau recommends initiation of, or supports, formal rulemakings and Commission docketed proceedings. During fiscal year 1989, the Bureau was involved in rulemakings and proceedings involving several aspects of service contracts, various tariff filing requirements, and shippers and intermediaries (Fact Finding 15).

In fiscal years 1990 and 1991, efforts will continue to increase the efficiency of the Bureau's various programs, including participation in the operation and testing of the prototype of the ATFI system, and the fully implemented ATFI system.

	1989	1990	1991
Total Number of Workyears	40	42	42

Hearing Counsel Program

The Bureau of Hearing Counsel participates as trial counsel in formal adjudicatory (docketed) proceedings, non-adjudicatory investigations, rulemaking proceedings when designated by Commission order, and other proceedings initiated by the Commission. Bureau attorneys serve as trial attorneys, where intervention is permitted and appropriate, in formal complaint proceedings instituted under section 22 of the 1916 Act, 46 U.S.C. app. 821, and section 11 of the 1984 Act, 46 U.S.C. app. 1710. Bureau attorneys also are designated Investigative Officers in non-adjudicatory formal proceedings. In addition to the formal proceedings in which the Bureau participates as a party, the Bureau monitors all other formal proceedings in order to ascertain that major issues affecting the shipping industry and/or the general public, as distinguished from issues deriving from private disputes between the litigating parties, are adequately developed. The Bureau also participates in an advisory capacity in the development of Commission rules and regulations. On occasion, the Bureau may participate in matters of court litigation by or against the Commission.

On request, the Bureau furnishes legal advice to the staff. Bureau attorneys provide legal advice to the Bureau of Investigations during field investigations and review enforcement reports completed by that Bureau. When appropriate, the Bureau of Hearing Counsel prepares and serves notices of violations of the shipping statutes and/or regulations, and may compromise and settle civil penalty allegations arising out of those violations. If settlement is not reached, the Bureau acts as prosecutor in formal Commission proceedings that may result in the assessment of civil penalties. The Bureau also participates, in conjunction with other Bureaus, in special enforcement initiatives such as the Trans-Atlantic Enforcement Initiative and the Trans-Pacific Malpractice program.

At the beginning of fiscal year 1989, 27 enforcement reports were pending final resolution by the Bureau. During the fiscal year, 46 new enforcement reports were received from the Bureau of Investigations. Forty-six such cases were compromised and settled, administratively closed, or referred for formal proceedings. Twenty-seven enforcement reports were pending resolution on September 30, 1989.

At the start of fiscal year 1989, the Bureau was party to nine formal proceedings. During the fiscal year, the Bureau participated in seven new formal proceedings. Four proceedings in which the Bureau participated were completed. Accordingly, the Bureau was involved in twelve formal proceedings at the end of the fiscal year.

At the beginning of fiscal year 1989, there were 48 requests for legal advice pending in the Bureau. Seventy-one requests for legal advice were received during the fiscal year, and 70 legal advice projects were completed. Accordingly, 49 legal advice matters were pending in the Bureau on September 30, 1989.

The Commission's increased emphasis on enforcement is resulting in expansion in all areas of Bureau activity. As a result of this effort, the Bureau collected nearly $5,000,000 in fines and penalties in fiscal year 1989. This included some of the largest settlements with single respondents entered into by the Commission under the 1984 Act, and represented the largest amount of civil penalties ever collected by the Commission in a single year. Settlements were reached with all segments of the industry (e.g. carriers, shippers, forwarders, marine terminal operators), in the full range of the U.S. foreign trades.

In April, 1989, the Commission instituted Fact-Finding Investigation No. 18, a non-adjudicatory proceeding to investigate rebating and other rate malpractices in the Trans-Pacific trades. As a direct consequence of the fact-finding, settlements in excess of $1,000,000 have resulted with Pacific cargo interests and an NVOCC. Generally, as a consequence of the increased emphasis on enforcement and, in particular, due to continued Fact Finding No. 18 activity, it is anticipated that this trend in civil penalty collection will continue.

In fiscal years 1990 and 1991, the Bureau will continue to pursue violations of the shipping statutes aggressively, and will continue to offer legal advice and support to the Commission staff.

	1989	1990	1991
Total Number of Workyears	13	12	13

Investigations Program

The Bureau of Investigations monitors the activities of, and conducts investigations of alleged violations by, ocean common carriers, non-vessel-operating common carriers ("NVOCCs"), ocean freight forwarders, shippers, ports and terminals, and other persons to ensure compliance with the statutes and regulations administered by the Commission.

The Bureau maintains a Headquarters Office in Washington, D.C., and District Offices in the major port cities of Houston, Los Angeles, Miami, New Orleans, New York, San Francisco, and Hato Rey, Puerto Rico. In addition to investigative and surveillance functions, each District Office represents the Commission within its jurisdiction, provides liaison between the Commission and the maritime industry and the shipping public, collects and analyzes intelligence of regulatory significance, and assesses industry-wide conditions for the Commission.

The Bureau investigates significant competitive practices pursuant to major Commission-approved malpractice programs. In addition, the Bureau investigates a full range of violations on a local level. These activities may also be carried out in conjunction with fact-finding, formal, or court proceedings.

The following practices are subject to ongoing investigations conducted by the Bureau: (1) illegal rebating by carriers and receipt of illegal rebates by shippers, NVOCCs, and shippers' associations; (2) misdescriptions and misdeclarations of cargo or other malpractices of carriers, shippers, consignees, and other persons; (3) activities of ocean common carriers who are parties to agreements whenever it appears that such agreements and modifications have been implemented prior to filing with the Commission or are being carried out in violation of the Shipping Acts; (4) common carriers which have failed to file appropriate tariffs covering their rates and charges or have charged rates other than those which are in effect and on file with the Commission; and, (5) ocean freight forwarders operating without a license issued by the Commission or contrary to statute or regulation.

The Bureau's surveillance activities include: (1) review of service contracts to determine compliance with statute and regulation; (2) review of NVOCC operations; (3) post-licensing and routine compliance checks of licensed freight forwarders to determine whether their operations conform with regulatory requirements; and, (4) audits of passenger vessel operators to ensure the financial protection of cruise passengers.

Bureau liaison activities involve cooperation and coordination with other government agencies, providing regulatory information and relaying Commission policy to the shipping industry and the public, and handling informal complaints within a District.

The Bureau also assists the Bureau of Hearing Counsel in formal proceedings before the Commission, conducts studies and surveys for use in program development and program revision, reports trade information, and recommends remedial action.

During fiscal year 1989, the Bureau continued to target malpractices in the major trade routes with special emphasis in the Trans-Pacific and Trans-Atlantic trades. The cooperation provided by steamship companies in the Trans-Pacific trades in fiscal year 1989 provided numerous significant investigative leads into malpractices in these trades. The investigative strategies used in the Trans-Pacific Malpractice Program will be applied to other enforcement programs now in the planning stage for implementation in fiscal years 1990 and 1991. The Bureau continues to monitor and investigate conditions in the North Atlantic trades as part of the Trans-Atlantic Enforcement Initiative which began in FY 1987.

Coordination between the Commission's District Offices and Customs' Field Offices continued in fiscal year 1989, as a part of the Memorandum of Understanding between the agencies for the exchange of enforcement information. Part of the focus of fiscal year 1989 activities was the development of a system whereby Commission investigators may access information filed by the shipping community in Customs' Automated Commercial System electronic database. The exchange of investigative information will increase in fiscal years 1990 and 1991, as both agencies move towards automation and the electronic filing of information regarding their regulatory activities.

During fiscal year 1989, the Bureau continued to provide its investigators with formal training in fraud detection through participation in the White Collar Crime Training Program at the Federal Law Enforcement Training Center ("FLETC") in Glynco, Georgia. Investigators are scheduled to attend FLETC's 2-week training program on the conduct of investigations in an automated environment in fiscal years 1990 and 1991. Other training activities for fiscal year 1990 will focus primarily on the acquisition of data processing skills and the use of personal computers. Fiscal year 1991 training activities will expand to include supervisory and advanced investigative skills training provided by the National Association of Federal Investigators and the U.S. Office of Personnel Management.

Bureau resources in fiscal years 1990 and 1991 will continue to be directed toward enforcement programs in the major trade routes and the enhancement of the NVOCC Audit and Freight Forwarder Compliance Programs. The Bureau also expects to focus upon particularly notorious practices involving fraud against ocean common carriers, shippers, forwarders, etc., in order to curb such practices. The Bureau will continue to aggressively pursue violations of the shipping statutes.

	1989	1990	1991
Total Number of Workyears	45	45	45

Administration Program

Office of the Director - Bureau of Administration

The Bureau of Administration is responsible for the direct administration and coordination of the:

- **Office of Administrative Services**
- **Office of Budget and Financial Management**
- **Office of Personnel**
- **Office of Special Studies**

Many of the functions and achievements of the Bureau of Administration are reflected in the narratives for these Offices (infra).

The Office of the Director is responsible for coordinating the procurement of the Commission's ATFI system. In fiscal year 1989, the following major accomplishments related to the ATFI procurement process were achieved:

> (1) the Commission issued a decision in an ATFI Notice of Inquiry proceeding in which it decided to retain the original functionality of the system, including remote retrieval of tariffs by the public; (2) issued a second draft, and then a final, Request for Proposals ("RFP") to over 200 bidders; (3) received and evaluated offers from private sector firms (or teams of firms) in response to the RFP; (4) awarded a contract for the initial two phases of the system; and, (5) had its new contractor commence work on the first phase of the system, i.e., "Finalizing the ATFI system concept" (including validation of requirements).

In fiscal year 1990, the ATFI contract permits the Commission's exercise of contract options for Phases III and IV, i.e., development, and operation as a Prototype system, if certain findings are made. Full operation of the system is expected to begin in fiscal year 1991.

The Office of the Director coordinated and edited the Commission's 27th Annual Report to Congress.

The Director is Agency Contact for FEMA and Commission representative, as Principal Management Official, to the Small Agency Council. Additionally, the Director is the Executive Secretary and Committee Management Officer of the Commission's Section 18 Study Industry Advisory Committee, which met in April 1989.

Office of Administrative Services

The Office of Administrative Services directs and administers a variety of management services functions that provide administrative support to the Commission, including communications; procurement of administrative goods; contracting for services; property, space and printing management; mail, records, reproduction and graphics services; facilities and equipment maintenance; and transportation. The Office's major functions are to procure and furnish all necessary supplies and equipment and to formulate regulations, policies, procedures, and methods governing the use and provision of these support services in compliance with the Federal Acquisition Regulation, the Federal Property Management Regulations, and other appropriate Federal guidelines.

The program objectives of the Office are to: (1) execute Commission contracts and administer these and any other procurement matters which obligate the Government to expenditures of funds; (2) control and administer the Commission's acquisition, utilization, inventory, maintenance, and disposition of property; (3) develop and coordinate a comprehensive telecommunications program for all Commission locations, which includes installation and maintenance of all telecommunications equipment and features; (4) administer programs for improvement of the workplace environment and other space utilization operations for all Commission locations, which include planning, negotiating, drafting and interpreting architectural drawings and specifications, and assigning space to and providing furnishings for offices; (5) manage the receipt, storage, issuance and inventory of all supplies, forms and accessories required in support of Commission operations; (6) coordinate and control all printing, duplicating, copying, and graphic services; (7) regulate receipt, distribution and dispatching of mail; (8) coordinate the use of the building's physical facilities at headquarters with respect to maintenance, security and parking; (9) arrange for transportation services for all Commission locations; (10) conduct safety inspections and coordinate the Commission's emergency evacuation program; (11) manage the retention, transfer, and disposal of Commission records; and, (12) direct the Commission's participation, development and goal-setting under the Small Business Act.

During fiscal year 1989, the Office: (1) initiated and developed procedures for automating furniture and equipment inventory, and completed a physical inventory of Headquarter's furniture and equipment, utilizing these procedures; (2) revised and automated the inventory list of office and administrative supplies; (3) created and implemented a database for tracking mail costs in field locations; (4) negotiated a contract, and acquired new office space to accommodate expansion, for the Houston District Office; (5) conducted a headquarters space survey and made recommendations concerning placement of the newly formed Office of the Inspector General; (6) conducted an FTS usage study; (7) arranged for printing and distribution of the Section 18 study regarding the Shipping Act of 1984; (8) completed a management study recommending the purchase versus leasing of copiers for our seven field offices; and, (9) initiated the logistics for relocation of the Los Angeles District Office.

In fiscal years 1990 and 1991, the Office plans to conclude initiatives relative to (1) microfilming previous fiscal year purchase order files; (2) finalizing the automation of the furniture and equipment inventory program; (3) realigning the current copy management program in headquarters and the field offices to reduce expenditures; (4) relocating Commission field offices in Houston, Texas and Los Angeles, California; (5) coordinating the implementation of the FTS 2000 and WITS telecommunication programs within the FMC; (6) revising the appropriate Commission directives relative to OAS operational and procedural changes; (7) taking corrective actions resulting from the Office of the Inspector General's (OIG) audit of OAS' small purchase program; (8) finalizing FMC headquarter's space renewal issues; and, (9) continuing to provide management support services to the regulatory program operations of the Commission.

Office of Budget and Financial Management

The Office of Budget and Financial Management administers the Commission's financial management program and is responsible for optimal utilization of the Commission's physical, fiscal, and staffing resources. The Office is charged with interpreting government budgetary and financial policies and programs, and developing annual budget justifications for submission to the Congress and the Office of Management and Budget ("OMB"). The Office also administers internal control systems for agency funds, travel and cash management programs, and the Commission's Imprest Fund. The Director of this Office is the Commission's Chief Financial Officer.

The objectives of the Office are to: (1) submit annual budget justifications and estimates to OMB and the Congress; (2) execute the budget to ensure that appropriated funds are properly expended; (3) prepare regular financial reports to aid management decisions; (4) administer the control system over workyears of employment; (5) collect all fees and forfeitures due the Commission; (6) process payments to vendors efficiently and in accordance with the Prompt Payment Act; (7) ensure resources are used properly to avoid fraud, waste, abuse, and error; (8) process travel orders and vouchers within established time limits; (9) review internal controls and accounting procedures to ensure they conform to existing regulations and develop procedures to correct deficiencies; and, (10) administer the Commission's Imprest Fund program and manage the Commission's Cash Management Program.

During fiscal year 1989, the Office: (1) collected and deposited $4,888,328 from user fees, fines, and penalty collections, and ocean freight forwarder application and passenger vessel certification fees; (2) coordinated and prepared budget justifications and estimates for the fiscal year 1990 Congressional budget and fiscal year 1991 budget to OMB; (3) participated in OMB and Congressional budget hearings; (4) provided the Cash Management Division of the Department of Treasury with data on the agency's participation in the electronic funds transfer of employee paychecks and allotments, as well as the agency's participation in the Diner's Club Credit Card System; (5) prepared an Impact Statement in response to OMB's proposed reduction in FY 1989 appropriations; (6) participated in the planning strategy for tariff automation; (7) completed office procedures and an internal control manual for the Office; (8) studied the use of a commercial credit card for small purchases; (9) developed a budget for the Advisory Commission on Conferences in Ocean Shipping at OMB's request; (10) prepared a variety of external reports such as: Electronic Benefit Delivery using Card Technology (OMB), Report on Financial Management Improvements (JFMIP), Report on President's Private Sector Survey on Cost Control (OMB), Annual Prompt Payment Report (OMB), Analysis of Increased Pay Costs associated with the FY 1989 and 1990 pay increases (OMB), Report on Workyears and Personnel Costs (OPM), and, Report on Cash Management Initiatives (Treasury), (11) provided management with monthly status reports on workyears, funding, travel, and receivables; and, (12) managed the Commission's travel and cash management programs.

During fiscal years 1990 and 1991, the Office will continue to update financial control procedures, refine the financial Management system, improve processing of payments, and pursue initiatives leading to economy and efficiency in budget and financial operations.

Office of Personnel

The Office of Personnel plans and administers personnel management programs, including recruitment and placement, training, position classification and pay administration, occupational safety and health, employee counseling services, employee relations, performance appraisal, incentive awards, and retirement. Significant achievements during fiscal year 1989 are outlined below.

Program Development

During Fiscal Year 1989, new Commission Orders were prepared by the Office, such as the "Performance Management System Including Senior Executive Service (SES) Performance Appraisal System" and the "Annual Leave Transfer Program". Commission Orders on the "Drug Free Workplace Plan", "Administrative Grievance System", and "Executive Resources Board" were amended to incorporate current regulations and changes.

Recruitment and Placement

The Office concentrated its recruitment efforts on the Commission's investigative program, especially in the major port cities around the country where the Commission maintains district offices. A total of 35 full-time and 11 part-time/temporary employees were hired during the year.

During the year, the Commission maintained its high standing among all agencies in percentage of employees with targeted disabilities, and offered special salary rates to clerical employees in Washington, D.C., New York, Florida, and California.

The Office also sponsored a summer youth employment program providing employment for eleven youths. An orientation session was held for participants, as well as training programs on motivation and drug awareness.

Employee Relations

The Office is implementing a plan to provide all employees with personalized benefits statements.

Employee counseling services' contracts in Washington, New York, Miami, San Francisco, and Los Angeles were closely monitored during the year and supervisors and employees were advised of the services provided by the contractors. Efforts were made to provide counseling services to employees in New Orleans and Houston on an as-needed basis. The Office conducted a Health Benefits Open Season and sponsored the Annual Employee Health Fair.

The Office worked closely with the Red Cross to improve agency participation in the blood donor program by establishing a system of coordinators within each bureau and office. Two on-site blood drives were held.

The Office continued to advise supervisors concerning their responsibilities in the areas of employee conduct and performance, including the granting of within-grade increases and awards, correcting discipline, and other problems. In seeking to resolve performance or conduct-related problems, the Office worked closely with Commission legal advisors to ensure that employees affected by adverse actions were accorded their due rights. All employee relations cases were successfully resolved during the year.

Training

As part of the Commission's reorganization of its training program, numerous on-site training programs were offered to agency employees during the year. In addition, new procedures were put in place to speed the approval of training requests, and to obtain and review course evaluations. The Office worked closely during the year with the Commission's Executive Resources Board to develop and implement Board-approved training programs for the Commission's cadre of SES and PMRS employees.

On-site training programs offered to agency employees included a Salute to Secretaries Reception and Time Management Workshop; Supervising Employee Performance, Conduct, and Leave; and, a course in Proofreading. Approximately 150 instances of off-site training were offered to employees.

Performance Appraisal

During the year, SES, PMRS, and non-PMRS performance appraisal milestones were charted and issued to all employees and supervisors. Instructions covering mid-year progress reviews, performance appraisals, and the preparation of new performance plans were prepared and issued on schedule. On-site audits of mid-year progress reviews were conducted as well as audits to determine that all employees had a current position description and up-to-date performance plan.

Incentive Awards

The Office continued to administer the Commission's Incentive Awards Program. As a result of a campaign to promote the Suggestion Program, there was a significant increase in the number of suggestions submitted by employees.

Position Classification and Pay Administration

The major recommendations contained in a comprehensive study of the Commission's grade structure were implemented during the year and efforts made to expedite the processing of promotion requests were successful. In addition, the staff closely monitored special pay rates in various locations around the country.

During fiscal years 1990 and 1991, the Office will continue to advise the Commission on all personnel matters and ensure the maintenance of a progressive personnel program within the Commission.

Office of Special Studies

The Office of Special Studies provides leadership and guidance for the agency's Information Resource Management Program; supports the tariff automation effort; and is responsible for management analysis activities and energy and environmental impact studies.

Information Resources Management Function

The Information Resources Management function provides automation planning and coordination of the information management efforts of the Commission. During fiscal year 1989, plans for utilization of computer hardware and software and developing databases for transferring of information between PC and NCR wordprocessing software and networking were refined, while evaluation of automation efforts continued. These specific efforts will continue in fiscal year 1990. During fiscal year 1989, a forms automation study group was formed to evaluate the potential for eliminating paper-base forms by automating the creation, completion, and storage of forms on micro-computers. That study will continue through fiscal year 1990, and the recommendations from that study should be fully implemented in fiscal year 1991. Additional studies will help to determine new opportunities for automating labor - intensive operations wherever possible throughout the Commission.

During fiscal year 1989, the Office monitored the implementation of a $602,000 SBA 8(a) contract to procure micro-computers for the headquarters and each district office. The 8(a) contractor procured micro-computers and software for a local area network ("LAN") that will serve as the gateway to the ATFI system. The micro-computers were delivered and installed, training was designed and conducted, and the testing of a LAN prototype was in progress at the end of fiscal year 1989. Design of an operational LAN that will serve as the agency's gateway to ATFI will be completed in fiscal year 1990. Side benefits of the LAN for general administrative activities and data base improvements will be studied and implemented throughout fiscal year 1990 and continuing into 1991. An important additional benefit of the LAN will provide Electronic Mail (E-Mail) between all microcomputers within the headquarters.

During fiscal year 1989, the Office was assigned operational responsibility for the agency's six-year-old central wordprocessing system, and began planning to replace the current wordprocessing equipment with micro-computers connected to the LAN in fiscal year 1990. Plans to convert electronic wordprocessing records to micro-computer-compatible files were developed and most files were being converted by the end of fiscal year 1989. During fiscal year 1990, full conversion to microcomputer-based word processing will be completed and the older NCR word processing equipment will be phased out for disposal.

During fiscal year 1989, a study group was formed to develop a formal electronic records maintenance and disposal policy. Efforts of that study group will continue through fiscal year 1991. Specialized micro-computer training courses were developed and presented in each of the agency's district offices, and plans were developed and implemented to provide district offices access to headquarters' databases and the ATFI system. The Office provided technical advice and assistance for the ATFI project.

During fiscal years 1990 and 1991, the Office will continue to develop information resources management strategies which will further the efficient, effective, and economical use of information management principles, systems, and guidelines.

Mr. EARLY. I am delighted to see in the audience former Senator Bill Hathaway from Maine, now an FMC Commissioner. That is going to be expensive.

[Laughter.]

Mr. EARLY. I'm delighted to see you.

Mr. HATHAWAY. Thank you, Mr. Chairman.

Mr. EARLY. Delighted to see you with the Commission.

Testifying this morning on behalf of the Commission is the acting chairman, The Hon. James J. Carey. We welcome you, Mr. Carey, and you may proceed with your statement any way you want.

Mr. CAREY. Thank you, Mr. Chairman. Good afternoon. I would like to submit my formal statement for the record and, with your permission, just briefly summarize it.

Mr. EARLY. That would be fine.

GENERAL STATEMENT

Mr. CAREY. Appearing with me today to assist in answering any questions you might have are Ed Walsh, the Commission's Managing Director, who is on my left, and Fred Trutkoff, our Director of Budget and Financial Management.

The budget request that I am presenting today totals $15,894,000, as you indicated, and provides for 230 work-years of employment. This is an increase of $442,000 and 4 work-years above our fiscal year 1990 appropriation. That is made up of increases of about $347,000 for salary and benefit costs to support Commission programs, and the 4 work-years which were reduced in this fiscal year because of Gramm-Rudman-Hollings reductions. There is some $29,000 for additional travel expenses, and those are primarily for investigators, and $66,000 for additional administrative expenses.

As you are aware, the Commission's budget is strictly an operating budget, with about 90 percent of it being salaries, rent and fixed costs, so it involves very limited discretionary spending.

The Commission will continue the implementation of the Automated Tariff Filing and Information System, the acronym for which is ATFI, as a major initiative for fiscal year 1991. Currently, as I think this committee has seen in the past, rates and charges of ocean common carriers and conferences are filed as paper tariffs, and they are maintained in some 5,000-plus four-ring binders, available for inspection in the Commission's Washington, D.C. headquarters. ATFI, for the very first time in history, is going to provide for the electronic filing, processing and retrieval of information contained in ocean carrier tariffs. This state-of-the-art system will decrease the filing burden on the ocean transportation industry and make it easier for the public to retrieve information from specific tariffs. ATFI will also permit the Commission staff to analyze tariffs and investigate irregularities in the industry more thoroughly and efficiently.

Phases I and II of that project, finalizing the system concept and system design, have been completed and have been, in fact, accepted by the Commission. Phases III and IV, which are system development and testing, and the prototype operation, were contracted for on the 5th of this month, and full operation of the system is expected to begin next fiscal year, probably in early 1991.

The Commission very much appreciates the past support of this committee and you, Mr. Chairman. I can't tell you how very much I look forward to the day when we can come up here and, in fact, tell you that the automated tariff filing system is on-line and is operating smoothly.

During the past year, the Commission continued to emphasize its enforcement program. Our enforcement efforts have been directed at two specific areas: commercial malpractices, and the practices of foreign governments that adversely impact our foreign commerce. With regard to commercial malpractices, our enforcement program is designed to punish existing competitive malpractices and to deter such malpractices in the future. This has been achieved through targeting a specific trade, using the trade intelligence in that particular area, some precise planning on our part, and then, the allocation of major Federal Maritime Commission resources to target in on that area.

Our intensified enforcement efforts in the Trans-Pacific trades are proving to be successful. Two major steamship lines serving the Pacific trades that were charged with unlawful rebating recently entered into settlement agreements with the Commission, one for approximately $2.5 million, the other for about $1.2 million. These carriers also agreed to make disclosures or otherwise cooperate with the Commission staff in its efforts to end unlawful rebating.

In fiscal year 1989 we collected and deposited with the United States Treasury a Commission-record total of approximately $4.73 million. In fiscal year 1991, we are continuing to target those carriers, commodities and malpractices that have the greatest impact on the U.S. ocean commerce, within the limit of the resources that we have.

As I have said repeatedly, not only before this committee but in the press, our goal is not simply to collect fines and penalties. What we are striving to do is to come up with an appropriate deterrent impact, and to always keep our sights on the Congress' overall objectives of ensuring statutory compliance and creating an equitable trade environment and conditions for everyone involved in that trade. I believe that the industry, through trade-wide self-policing programs, can greatly assist in ensuring that our trades are both clean and competitive.

In fiscal year 1989, the Commission was again active in identifying and correcting unfavorable conditions to shipping in the U.S. foreign trades. In this regard, the Commission found that unfavorable conditions existed in Peru and Ecuador as a result of certain of their governments' actions. To resolve these problems, we imposed fees against the carriers from these countries. In the case of Peru, however, we suspended application of those sanctions due to that country's very significant economic and political conditions.

Fiscal year 1989 was also noteworthy because the Commission initiated its first formal proceeding under the Foreign Shipping Practices Act of 1988. We used our new authority to investigate shipping conditions in the U.S./Taiwan trade, particularly restrictions affecting the intermodal operations of U.S.-flag carriers operating in Taiwan. Based on commitments to resolve certain of those shipping issues, anticipated progress on other issues, and the absence of any specific request for sanctions against the foreign carriers involved, we discontinued our proceeding, but we continue to monitor that trade closely. In fact, we, by separate order, have requested a statement of the current conditions in the Taiwan trade, not only from the U.S. carriers but the Taiwanese carriers involved. That is due by the end of June.

These various actions indicate that the Commission has a variety of weapons to employ against unfair maritime practices, and the will and the ability to use them.

Mr. Chairman, as this subcommittee is aware, on September 20, 1989, the Commission submitted its report to the Congress on the impact of the Shipping Act of 1984. This report was required by Section 18 of the Act, and is the culmination of five and a half years of data collection, research, and analysis on the impact of that Act upon the international ocean shipping industry. It includes the data collected on the issues required by Section 18[e] of that Act and the special report topics on tariffs and ports required by Section 18[c], and it also includes separate parts on service contracts, independent action, and provisions in the Act that may need some clarification. We stand ready to provide additional information and assistance to the Advisory Commission on Conferences in Ocean Shipping as it starts to conduct its review process.

Mr. Chairman, we respectfully request favorable consideration of our budget, and we again ask for your continued support so that we may continue to carry out our important statutory responsibilities in fiscal year 1991.

That completes my oral presentation. We would be happy to try to answer any questions that you might have.

[The statement of Mr. Carey follows:]

STATEMENT OF
THE HONORABLE JAMES J. CAREY
ACTING CHAIRMAN
FEDERAL MARITIME COMMISSION
BEFORE THE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON COMMERCE, JUSTICE,
STATE, JUDICIARY AND RELATED AGENCIES
UNITED STATES HOUSE OF REPRESENTATIVES

February 22, 1990

Mr. Chairman and members of the Subcommittee, it is a pleasure to appear before you to present the Federal Maritime Commission's budget request for fiscal year 1991. As you know, this is my first appearance before the Subcommittee as Acting Chairman.

With me today are Edward P. Walsh, the Commission's Managing Director and Frederick F. Trutkoff, the Director of Budget and Financial Management.

The budget request I am presenting today totals $15,894,000 and provides for 230 workyears of employment. This is an increase of $442,000 and four workyears above our fiscal year 1990 appropriation. It includes increases of (1) $347,000 for salary and benefit costs to support Commission programs and four workyears which were reduced in FY 1990 because of Gramm-Rudman-Hollings reductions; (2) $29,000 for additional travel expenses; and (3) $66,000 for administrative expenses.

The Commission's budget is strictly an operating budget and, consequently, involves very limited discretionary spending.

One of the Commission's major efforts that will be continued in fiscal year 1991, is for the implementation of the Automated Tariff Filing and Information System (ATFI). Currently, rates and charges of ocean common carriers and conferences are filed in tariffs and maintained in binders available for inspection in the Commission's Washington, D.C. headquarters. ATFI, for the first time, will provide for the electronic filing, processing and retrieval of information contained in ocean carrier tariffs. This state-of-the-art system will decrease the filing burden on the ocean transportation industry and make it easier for the public to retrieve information from particular tariffs. ATFI will also permit Commission staff to analyze tariffs and investigate irregularities more thoroughly.

On August 8, 1989, the FMC awarded a contract to Planning Research Corporation teaming with Data Exchange International for the first two phases of the ATFI project. Their proposal was the best technically, and contained the lowest cost bid of the eight offerors. The contract, if all options are exercised, is valued at approximately $4.6 million.

Phases I and II, finalizing the system concept and system design, have been completed and accepted by the Commission. Phases III and IV, system development and testing and prototype operation, were contracted for on February 5, 1990. Full operation of the system is expected to begin in fiscal year 1991. The Commission appreciates your past support of ATFI. I look forward to the day when I can appear before you and state that the system is fully on-line.

The Commission has continued to emphasize its enforcement efforts during the past year. These enforcement efforts are directed at two specific areas; commercial malpractices, and practices of foreign governments that adversely impact our foreign commerce. With regard to commercial malpractices, the Commission's enforcement program is designed to punish existing competitive malpractices and deter such malpractices in the future. This is achieved through targeting a specific trade, using trade intelligence, precise planning, and allocation of major resources to the program.

In the Transpacific trades, our intensified enforcement efforts have succeeded. Two major steamship lines serving the Pacific trades that were charged with unlawful rebating entered into settlement agreements with the Commission, one for $2.55 million, and the other for $1.225 million. These carriers also agreed to make disclosures and cooperate with the Commission's staff in its efforts to end unlawful rebating.

In fiscal year 89, we collected a Commission-record total of $4.733 million. In fiscal year 1991, we will continue to target carriers, commodities and malpractices that have the greatest impact on the U.S. ocean commerce.

Penalty collections, one by-product of our enforcement program, have increased. As I have said repeatedly, however, our goal is not simply the collection of penalties. We strive for an appropriate deterrent impact, and always keep our sights on the program's overall objectives of ensuring statutory compliance and creating equitable trade conditions. I believe that the industry, through trade-wide self-policing programs, can greatly assist in ensuring that our trades are "clean" and competitive.

In fiscal year 1989, the Commission was again active in identifying and correcting unfavorable conditions to shipping in the U.S. foreign trades. In this regard, the Commission found that unfavorable conditions existed in Peru and Ecuador, as a result of certain government actions. To resolve these problems, the Commission imposed fees against carriers from these countries. In the case of Peru, however, the Commission suspended application of these sanctions, due to Peru's economic and political conditions.

Fiscal year 1989 was also noteworthy because the Commission initiated its first formal proceeding under the Foreign Shipping Practices Act of 1988. The Commission used its new authority to investigate shipping conditions in the U.S./Taiwan trade, particularly restrictions affecting the intermodal operations of U.S. - flag carriers. Based on commitments to resolve certain shipping issues, anticipated progress on other issues, and the absence of any request for sanctions against foreign carriers, the Commission discontinued this proceeding. We continue to monitor this trade closely, however.

These various actions indicate that the Commission has a variety of weapons to employ against unfair maritime practices, and the will and ability to use them.

Mr. Chairman, as the Subcommittee is aware, on September 20, 1989, the Commission submitted its report to Congress on the impact of the Shipping Act of 1984. This report was required by section 18 of the Act and is the culmination of five and one-half years of data collection, research, and analysis. The Commission collected and analyzed information on the impact of the Act upon the international ocean shipping industry, including the section 18(a) issues of: (1) increases or decreases in the level of tariffs; (2) changes in the frequency or type of common carrier services available to specific ports or geographic regions; (3) the number and strength of independent carriers in various trades; and (4) the length of time, frequency, and cost of major types of regulatory proceedings before the Commission.

The report also covered special topics of tariffs and ports, as required by section 18 (c), and contained separate parts on service contracts, independent action, and provisions in the Act which might benefit from clarification and/or technical adjustment.

The Commission stands ready to provide information to the Advisory Commission, as it conducts its review process, and may, pursuant to section 18 (g)(3) be requested to provide staff personnel to assist the Commission.

We respectfully request favorable consideration of our budget, and we ask for your continued support so that we may carry out our important statutory responsibilities in fiscal year 1991.

I will be happy to respond to any questions.

SECTION 18 REPORT REVIEW

Mr. **Early**. Thank you very much, Mr. Carey.

With regard to your report to Congress on the Shipping Act of 1984, are you monitoring it to see if your recommendations are being implemented?

Mr. **Carey**. Yes, sir. Well, let me qualify that because I guess that is not 100 percent accurate. The point we are at now is that we have filed our report which covers 5 and a half years of study. The Federal Trade Commission and the Department of Transportation have filed their reports. There is one yet remaining to be filed, and that is the Department of Justice's.

The Advisory Commission is then going to churn through all of these reports and come up with recommendations to you all in the Congress, but it has not convened yet because there are still eight members from the private sector that remain to be appointed. Once they are appointed, then, they will start going through those reports.

In the interim, one of the things that we have continued to do, because we are certain that there will be an additional call for information because of the time lag that has been experienced in getting this Commission appointed, is, to monitor trades, and to gather facts and details. Once that Commission is up and running, we can present them with updated information from the time our report cut off, which was September 20th of last year (the due date) to whenever it is that they convene. In the hearing we had this morning, one of the indications that Chairman Jones gave was that they were adding to our authorization bill language to extend that Commission one year from the date it convenes, so that they do have a whole year to go through all of that.

Mr. **Early**. As you know, we funded the Advisory Commission last year for one year——

Mr. **Carey**. Yes, sir.

Mr. **Early** [continuing]. For $300,000. One of the frustrations I have with the government, Mr. Carey, is that we do so many studies and then we don't implement based on these reports.

Mr. **Carey**. Yes, sir.

Mr. **Early**. I am convinced that many of the studies go unread and are not implemented. By the time we get to implementing them, they are outdated, and the bureaucrats and the elected officials are looking for further studies.

Mr. **Carey**. Sir, just as an observation on that, and this is my personal opinion now, but I have been at the Commission for eight years, so I was there under the old 1916 Act for three and a half years before the 1984 Act was implemented, so I have seen the way both of them operate. I think the advantage that we have this time is that, in my opinion, the 1984 Act corrected a lot of real problems, as far as not only what my agency does, but how this country looks at the regulation of ocean shipping. So even though it is going to take a while for that Advisory Commission to take a look at our reports, and then I presume that Congress will even want to take a look at what they come up with as far as recommendations, in the interim, the Shipping Act of 1984 continues to operate, and in my opinion it is operating pretty well.

The Office operates a training program to ensure that agency employees are computer literate and develops formal on-site training courses in microcomputer operations and applications software development. Those efforts will be continued during fiscal year 1990 as additional computer-based instructional courses become available. Field office employee training will also continue. The Office provides on-call hardware and software troubleshooting services. To maintain the pace of office automation training requirements, the office began seeking outside, contract resources for development and presentation of hands-on training for commission employees. The Office has also developed programming capabilities to support the efforts of operating offices and will continue its software research and evaluation activities.

During fiscal year 1989, a number of automated private sector data bases were reviewed to determine their applicability to Commission operations. Among the applications reviewed were the availability of data bases such as the Federal Register, The Congressional Record, legal reporting systems, specialized maritime reporting services, and a variety of administrative data bases, ranging from the Federal Acquisition Regulation to the Federal Personnel Manual. These private sector data bases will continue to be of high interest during FY 1990 and, 1991. The Office will play a major role in monitoring and evaluating the ATFI prototype system.

Management Analysis Program

The Office's Management Analysis program includes conducting internal studies to assess efficiency, effectiveness and economy in the use and management of agency resources and determining if desired program results and objectives are being effectively achieved. The Office is also responsible for obtaining clearances from OMB for recordkeeping and reporting requirements imposed on the public; carrying out other phases of the Paperwork Reduction Act of 1980; and coordinating government-wide programs, such as The Handbook of Domestic Assistance Programs, The Department of Labor's Annual Productivity Report, records management, and a variety of information resources reports required by the General Services Administration.

In fiscal year 1989, an Information Resources Task Force was formed to review current information needs and to project the types of information, equipment, and staff training requirements needed to support agency mission requirements through the 1990's, and a consultant was hired to develop a thorough assessment of the current IRM staff responsibilities and the resources needed to keep pace with future information requirements of the program and administrative offices of the agency.

The Office also completed a project directed at controlling the costs of commercial databases rented by the agency, and implemented a plan to control the level of security access to such databases. Some of the Office's internal audit functions were transferred to the new statutory Inspector General in fiscal year 1989.

Environmental and Energy Program

The Office ensures Commission compliance with the National Environmental Policy Act of 1969 and the Energy Policy and Conservation Act of 1975. These duties and responsibilities are to: (1) examine all Commission actions to determine whether the Commission's decisions will have a significant impact upon environmental quality or energy consumption; (2) issue environmental assessments and impact statements, when appropriate; and, (3) recommend to the Commission regulatory strategies which are consistent with national environmental goals or designed to promote energy efficiency and conservation.

	1989	1990	1991
Total Number of Workyears	35	36	36

Mr. **Early**. Is that right?

Mr. **Carey**. It is a vast improvement over what I saw when I first got there.

Mr. **Early**. I just hope the Commission takes all its reports and puts together their recommendations as quickly as possible and we try to get them implemented.

Mr. **Carey**. Yes, sir.

Mr. **Early**. There are not many things we haven't studied———

Mr. **Carey**. No, sir.

EFFECT OF SEQUESTRATION ON ATFI PROGRAM

Mr. **Early** [continuing]. And restudied, and restudied, and restudied. If we would implement some of these we might learn much more from some of the recommendations that would probably have been in error. Doing it the way we do it now, the process is, we just do the study, make the report, and then just wait until we can do another study. I really hope your agency doesn't get caught in that same syndrome.

After the sequester, what amounts were available for the ATFI system?

Mr. **Carey**. I'm sorry?

Mr. **Early**. After sequestration.

Mr. **Carey**. I don't have a good handle on that. Let me turn that over to my financial expert. Fred?

Mr. **Trutkoff**. We did not reduce the amount of money drastically. There were some reductions in the ATFI program, but it didn't result from the sequestration. Some money was used to offset the pay increase that went into effect in January. Some of the money had come from that.

Mr. **Early**. So, therefore, none of the ATFI projects will be delayed or curtailed.

Mr. **Trutkoff**. Because of sequestration? No.

Mr. **Early**. That is great, because I really think that in the government if we don't get computerized, we are just spinning our wheels.

Mr. **Carey**. Oh, I couldn't agree more. When I first showed up in this town, one of the first things that I—the new kid on the block—got hit on was, why were we not automated? I said, "Well, I don't know but I will go back and find out."

To a large degree, it was because there had been no real focus on whether this nation wanted to have a tariff filing system or not, and so it was a little difficult to come up here and ask for money for a system we weren't sure was going to be around. When the Shipping Act of 1984 was passed and that gave us a five-year window where we were certain tariffs were going to be there, it made sense to then go in and get them automated.

Mr. **Early**. Sure. You know, if you don't do anything else but implement an automated system, you will have achieved a lot.

Mr. **Carey**. Yes, sir. I am going to have it put on my tombstone [laughter] because there are an awful lot of agencies that aren't really getting it implemented. They are talking about it each year but it is just not getting done.

FMC REQUEST TO OMB FOR ATFI PROGRAM

Mr. **Early**. What was the Commission's request to OMB for the ATFI system?

Mr. **Carey**. I think overall in that 5-year period—and Mr. Trutkoff, correct me if I am wrong—it is about $5.7 million. In fiscal year 1990, there was a hump in that of around—what?—$1.5 million.

Mr. **Trutkoff**. $1.4 million.

Mr. **Carey**. $1.4 million, and I believe this year it is——

Mr. **Trutkoff**. $1.3 million for fiscal year 1991.

Mr. **Carey**. $1.3 million, but once we finish with this fiscal year 1991, we are then in pretty good shape and up and running, and then it is about $1 million a year to operate the thing, but that is the extent of the cost, because it is primarily a software system, not a hardware system. We are not buying a piece of hardware to put in our building. We have contracted out for it and——

Mr. **Early**. So we will spend $1.1 million to continue the development of the system this year?

Mr. **Carey**. $1.3 million in fiscal year 1991.

SEQUESTRATION

Mr. **Early**. So last year's sequestration didn't affect that at all?

Mr. **Carey**. No.

Mr. **Early**. Fine.

Mr. **Carey**. Part of what helped with some of that is that we initially thought it was going to cost about $8 or $9 million, but when the bids came in, the bids came in significantly less, so we ended up being able to buy the system we wanted for less money than two or three years ago we thought it was going to cost.

Mr. **Early**. Yes, and the way that industry is going, you could probably buy it for less today. [Laughter.]

FTE REDUCTIONS

Now you told us what your 1991 request for additional work-years was. Does that restore all the positions cut, or did you cut any positions because of sequestration and the pay raise last year?

Mr. **Carey**. Yes, go ahead.

Mr. **Trutkoff**. In order to accommodate that sequestration, we had to reduce 4 work-years in 1990, and what we are asking for is to have those 4 work-years reinstated, as we have money in 1991 for those four work-years.

Mr. **Early**. And this budget will——

Mr. **Trutkoff**. Will bring us up to the OMB-approved level of 230 work-years.

Mr. **Early**. Now you could handle that reduction by attrition—you didn't have to lay anyone off?

Mr. **Carey**. Correct.

FY 91 BUDGET REQUEST TO OMB

Mr. **Early**. What was your original request to OMB?

Mr. **Carey**. Fred, do you want to answer that?

Mr. **Trutkoff**. Our original request was $16,645,000 and 235 work-years.

Mr. **Early**. Why don't you provide for the record what the reductions were that OMB made?

[The information follows:]

Our original request to OMB was $16,645,000 and 235 workyears. OMB approved $15,894,000 and 230 workyears, a reduction of $751,000 with no additional workyears.

The revised estimate includes reductions of $159,000 for five workyears of employment, $112,000 for promotions and overtime, $101,000 for terminal leave payments, $140,000 for relocation costs, $62,000 for transportation of things, $20,000 for printing, $20,000 for supplies, $50,000 for furniture and equipment, and $57,000 for miscellaneous other services.

ATFI COMPETITION

Mr. **Early**. In last year's report we indicated, again with regard to ATFI, that we didn't want to compete with the private sector providers of information services. Briefly describe how the Commission's guidelines have worked out in that respect.

Mr. **Carey**. I believe that became a part of a public law which stated that the Commission shall impose reasonable controls on the system to limit remote access usage by any one person. I think that basically did away with a large part of the discussion on whether there should or should not be remote access.

I am the one that ran this program from day one, and I was a bit amazed at the discussion at all, because one of the things that we have always said throughout, is we do not want to get into the business of value enhancement of this data. We felt that was not the Government's position. There are a lot of private sector companies out there to do that. But we felt, with the fact that the Government was putting together this data base, that surely the American public and particularly the shipping public ought to have access to it. The concern was cured by that particular line in the law. The current contractor is now putting together a system that will comply with that. Basically it has some very simple parameters, such as if someone calls up on a modem and is connected into the system and is inactive for 10 minutes, there is an automatic log-off. If someone wanting tariff data is on the system for 30 minutes, it automatically logs off and they have to come back in.

Other than that, the system holds basic data, and it allows an individual to come in and search for a given tariff.

Mr. **Early**. Are you aware of any further concerns of the private sector with regard to your implementation of the system?

Mr. **Carey**. I have heard none, and I have kept my ear pretty close to the ground on it, because quite frankly, it caused us a delay about a year ago while we were trying to resolve this whole thing. Almost everything that I have heard from the private sector, and particularly the maritime industry, is that they absolutely need access to it, to be able to gain not only access to their own tariffs but access to other tariffs.

Mr. **Early**. Great.

ATFI USER FEES

Has the Commission determined appropriate levels of user fees for the ATFI system?

Mr. CAREY. We haven't yet; we are getting very close to that. The reason we haven't is that we have to get a handle on what it is going to cost to operate the system, and we really won't know that until about the end of April of this year. Once we know what it is going to cost to operate, we can determine then the marginal cost of access to it and the marginal cost of filing. Then we can, in fact, put together proposed rules to go out to the public and indicate what the user fees would be and what the new filing parameters would be.

ATFI COST OFFSET

Mr. EARLY. Now I know you referred to it in your statement, but are we going to collect enough to offset the expenses of the system?

Mr. CAREY. I don't think to totally offset it, no. As I understand it—and I might ask my Managing Director to comment, also—by law, we can only collect the marginal operational cost that is tied directly with the public gaining this remote access. We can't have the public subsidizing the part of the value that the FMC itself gets out of it. And so, no, it would not be a 100 percent offset.

Mr. EARLY. Will it ever get to be fully self-supporting?

Mr. CAREY. No, sir, I don't think so, because we, the FMC, will continue to have to pay for at least our fair share of what we are getting out of the system.

Mr. EARLY. I see, and you see annual operating——

Mr. CAREY. Annual operating costs of about $1 million, yes, sir.

Mr. EARLY. And what do you think it could peak at?

Mr. CAREY. My expert guesstimate is at approximately half of that $1 million, or $500,000 a year, and sir, that is a guesstimate.

Mr. EARLY. And if the committee recommended that you had to lay off X number of people to offset that $500,000 loss, would you have any problems with doubling the fees? [Laughter.]

Mr. CAREY. That's a tough one, sir.

ENFORCEMENT ACTIVITIES

Mr. EARLY. Your testimony indicated an increased emphasis on enforcement activities during the past year, and you cited two cases. Would you provide for the record more details on that, and what you are targeting for investigation in the enforcement area?

Mr. CAREY. Yes, sir.

[The information follows:]

The Commission determines the areas to be targeted for investigation and enforcement activities through a deliberate process. This includes economic analysis, evaluation of trade intelligence, and preliminary field investigations. These combined efforts are employed to determine generally the areas where the most serious malpractices are taking place. An evaluation then occurs. During this evaluative stage, the prosecutorial arm of the Commission becomes more involved with the investigative arm. This is done so that the issue of the enforcement merit of the investigation is fully explored. We thereby avoid the further expenditure of resources in areas that offer little chance of successful enforcement conclusion. We also seriously evaluate the deterrent impact an enforcement action will have on malpractices within the industry. When we are reasonably satisfied that our target selections have been well chosen, major resources are concentrated on those targets.

Our efforts in the North Atlantic and Transpacific trades continue. In addition, we are also conducting preliminary investigations in other geographic areas, as well as reviewing specific regulated parties in the shipping industry. During this fiscal year, we will analyze these preliminary investigations and then direct our resources to the areas where they are most needed.

ENFORCEMENT BUDGET

Mr. **EARLY**. What percent of the Commission's budget or what portion of the budget will be designated for enforcement?

Mr. **WALSH**. Approximately $3.6 million, Mr. Chairman, of our FY91 request is for our enforcement program. With the penalties collected last year, we paid for our enforcement program.

Mr. **EARLY**. How does this compare to the last couple of years?

Mr. **WALSH**. I would say the last four years we really emphasized the enforcement program. Three or four years ago, we were taking in penalties of $300,000 and $400,000 a year. It went up to $3 million, $2.4 million. Last year it was $4.7 million. This year-to-date, we have $3.3 million that has been returned to the Treasury. But, as the Chairman has stated, we don't see that as our sole purpose in enforcement. We see it as a deterrent.

SUMMARY OF SECTION 18 STUDY

Mr. **EARLY**. Now, Mr. Carey, you suggested in your statement that the results of the report to the Congress on the impact of the Shipping Act of 1984 were favorable. Would you give us a little more explanation of what were the improvements made by that Act?

Mr. **CAREY**. Well, I will do my best. It was some 700 pages, so it was a long and very detailed report.

I guess if I were to try to give a bottom line, our general consensus is that, one, the law is working; secondly that it seems to us that the Congress has struck a reasonable balance between antitrust immunity for the carriers, on the one hand, and the competition that is provided through independent action and the utilization of service contracts. In fact, we have had several symposiums on the subject. Of course when you talk to the carriers, they tend to have some heartburn with independent action for conference service contracts, because that could increase competition and increase pressure on them. On the other hand, when you talk to people who have to ship cargo, they are very much in favor of independent action for conference contracts, and they have a little heartburn with antitrust immunity.

The bottom line is: nobody is screaming and hollering a lot. Everybody is reasonably happy, from what I can see on the Commission's side. Before I came to the government, I spent 20 years in the corporate world, and I know the frustration of not being able to get answers upon which to make intelligent, logical business decisions. I can recall under the 1916 Act, it was sometimes taking us a year, a year and a half, a year and three-quarters, to render a decision, because of all of the wickets we had to go through.

Mr. **EARLY**. Yes. In the same vein, though, a lot of the private sector that you said was frustrated about getting information——

Mr. **CAREY**. Yes, sir.

Mr. **Early** [continuing]. So many of them just keep talking and talking and don't provide answers at all.

Mr. **Carey**. Yes. [Laughter.]

Mr. **Early**. That can be frustrating.

Mr. **Carey**. Well, anyway, I think the law has struck a good balance and I think it has worked very well.

SANCTIONS AGAINST FOREIGN GOVERNMENTS

Mr. **Early**. Your testimony references the Commission's activities in identifying and correcting unfavorable conditions to shipping as a result of foreign government activity. How are these sanctions against the foreign governments carried out?

Mr. **Carey**. I think you are referring to either the Foreign Trade Practices Act of 1988 or our Section 19 activities.

Mr. **Early**. Yes.

Mr. **Carey**. Initially there will be a complaint made. We will look into it to determine if there is some substance to it. If there is, our very first action almost always is to go to the State Department and see if it can be resolved through diplomatic action.

At the same time, we will conduct an investigation or a hearing on it, determine what the circumstances are, and then try to structure a remedy that goes back to that particular government and says, if these practices continue—and we have found them to be discriminatory—if they continue, then, we will take the following actions. Now that can be anything from fines to not allowing them to call at U.S. ports to whatever. Usually, our response has been to reflect back to that foreign government the restrictions that they are imposing on U.S. carriers in their country. Usually, it has been my experience, when they look at that, they say that doesn't seem like such a good idea after all and they remove the restrictions, so we have then achieved our goal. We have rarely had to go beyond that.

Mr. **Early**. How successful have you been in collecting the fines imposed against the foreign carriers?

Mr. **Carey**. My General Counsel tells me that we have never really had to go forth totally toward a foreign government with fees, because they have always removed the restriction before we have had to impose them.

Mr. **Early**. That speaks well for this all. I think the action that you took against Peru, referred to in your statement, was common sense and good judgment.

Mr. **Carey**. Yes, sir.

U.S. TRADE REPRESENTATIVE

Mr. **Early**. Does the Commission consult with or provide guidance to the Office of the U.S. Trade Rep regarding possible sanctions against foreign carriers?

Mr. **Carey**. We really don't. Being an independent regulatory agency, we do not have a formal relationship with the USTR, per se. We are involved with them as a member of the Inter-Agency Maritime Policy Group, but there basically, we serve as a technical advisor, in that we are not in the policy side; we are in the regulatory side. So they will ask us, if they do certain things, what would happen as far as the statutes that we are charged with?

Mr. **Early**. I think that is how it is supposed to work.

Mr. **Carey**. Yes, sir.

Mr. **Early**. Mr. Carey, I want to thank you for your testimony. I want to thank you for the fine job I think the Commission is doing.

Mr. **Carey**. Thank you, sir.

Mr. **Early**. Thank you very much.

With that, we will adjourn the meeting until Tuesday.

[The following questions were submitted to be answered for the record:]

Questions Submitted by Congressman Smith

Reprogramming

The Federal Maritime Commission (FMC) controls and reports planned reprogramming for object classes only. The FMC budgets for 8 to 11 program elements each year, some pertaining to the regulatory program activities of the agency and the others to organizational entities. It does not, however, record obligations by these elements, but by the object classes. In the budgets presented to the Committee, the "actual" amounts are really estimates. Using FMC's estimates of actual for each program shows that costs exceeded or were short of the reprogramming bases by more than the threshold amounts for one or more program activities in FY 1986, FY 1988, and FY 1989.

QUESTION: Why does the FMC control and report planned reprogrammings on an object class basis, when the General Provisions of the annual appropriation acts refer only to program, project, or activity as the areas of operations for reprogramming identification and reporting?

ANSWER: The Commission's annual appropriation, approved by the Congress, is for Salaries and Expenses, and does not break out individual program costs. With Subcommittee approval, and in accordance with Committee Reports and applicable laws, we have submitted reprogramming requests affecting the three major budget components: Salaries, Travel, and Administrative Expenses, in lieu of programs. This coincides with the annual apportionment approved by OMB. This process enables us to exercise better control over spending to prevent violations of the Anti-Deficiency Act provisions and apportionment schedules.

QUESTION: Does FMC have the accounting capability to relate obligations to its budget activity structure, to identify reprogramming needs by activity or program, and to notify the Committees thereof in advance as required by the annual appropriation acts? If not, how long would it take FMC to develop this accounting capability?

ANSWER: The FMC has the accounting capability to relate obligations and reprogramming needs by activity or program, but it would put an extra burden on the staff to accumulate this information. The Office of Thrift Supervision, through a cross-servicing arrangement, provides the FMC with payroll and payment services, and a monthly report on the status of travel and administrative expenses by program. FMC's staff would have to manually adjust this report to include salaries and benefits.

It would take several months to convert our present system.

WITNESSES

	Page
Atherton, H.M.	51
Burger, W.E	51
Carey, J.J	1071
Carlson, Richard	515
Davis, Lloyd	1
De Quesada, Raul	175
Elkins, R.E	417
Elsner, Robert	1041
Forbes, M.S., Jr	333
Funk, R.J	417
Gallegos, Tony	417
Gelb, B.S	515
Glade, W.P	515
Goudie, John	175
Graham, D.J	417
Harner, G.M	473
Hockeimer, H.E	515
Hofman, R.J	1041
Hoyer, Hon. S.H	473
Johnston, Martha	515
Joustra, Jana	175
Kemp, E.J., Jr	417
King, C.S	1
Komer, R.D	417
Kopp, E.P	515
Laist, D.W	1041
Makin, Dr. J.H	151
Martinez-Alvarez, Paco	175
Ng, W.H	417
O'Meara, Col. P.B	51
Pearce, George	417
Pell, Gene	333
Pistor, Michael	515
Pyle, Dr. Kenneth	151
Rozzi, D.L	417
Sayer, M.V	417
Silberman, R.G	417
Silverman, S.M	515
Stringer, Mary	417
Tevelin, D.I	257
Torbert, C.C., Jr	257
Troy, J.H	417
Trutkoff, F.F	1071
Twiss, J.R., Jr	1041

Page
Van Duizend, Dick 257
Walsh, E.P 1071
Wattenberg, B.J 333
Wise, S.G 473

INDEX

Board for International Broadcasting

Page

- Israel Project 380
  - Absence of Jamming 384
  - Administration Support 384
  - Alternate Site 384
  - Environmental Concerns 380, 382
  - Funds 380, 381, 396
  - Importance of Project 385
  - Impact of Sequester 397
  - Impact of Delaying Project 382
  - Indirect Benefit 397
  - Purpose of Project 383
  - Shortwave Signal Propagation 384
- Opening Statement of Malcolm S. Forbes, Jr., Chairman 369
- Prepared statement Mr. Forbes 372
- Questions Submitted for the Record by:
  - Hon. Neal Smith 401
- RFE/RL Current Role 369
  - Administration Policy 379
  - Areas of Coverage 393
  - Audience 387
  - Audience Demographics 394
  - Audience Description 388
  - Audience Survey Accuracy 387
  - Audience Survey Technique 387
  - BBC Cooperation 398
  - BBC Coverage 397
  - Broadcast Schedule 396
  - Broadcasting in Crises 392
  - Broadcast Languages 397
  - Caution on Budget Savings 390
  - Competing for Transmitter Time 392
  - Establishing Communications Systems 391
  - Examples of Role 369
  - Future Broadcasts 389
  - Information Flow in Eastern Europe 393
  - New Democracies Need 370
  - In-Country Surveys 388
  - Presence in Prague 398
  - Reassessing Programs 388

Page

RFE/RL Current Role—Continued
  Staffing 379
  Stringers 398, 399
  Success in Eastern Europe 385
  U.S. Foreign Policy 385
  Types of Democracy 390
  Western Media in Eastern Europe 393

Christopher Columbus Quincentenary Jubilee Commission

Budget Justifications 176
Commission Activities 216
Makin, John N.:
  Statement for the Record 206
Opening Statement 205
Questions for the Record 254
  Commemorative Coins 255
  Fund Raising 254
  Personnel and Administrative Costs 256

Commission on the Bicentennial of the United States Constitution

Annual Themes 85
Bill of Rights Program 86
  Bill of Rights Commemoration 136
  Bill of Rights Materials 140
Budget Submission 72
Chairman's Prepared Statement 89
Charles Pickney National Historical Site 135
College Community Forums 85
Commisson Sunset Provision 141
Department of Defense Support 84
Foreign Outreach 86
  Requests for Materials from Abroad 135
Four Presidents Project 87
Grant Awards 96
  Grant Award Summary (1989) 97
  Grant Award Summary (1987-88) 112
Law Related Education—Center for Civic Education 86
  Law Related Education 140
  CRADLE Program 95
National Pictoral Map Contest 83
  Map Contest 138
Publications 83
  Commission Educational Calendar 94
  Commission History 87
  "Constitutional Journal" 138
  Pocket Constitutions 85
  Publications 94
Teacher Training Programs 84
  Teacher Education 142
Written Questions for the Chairman 144

Commission on Security & Cooperation in Europe

Budget Request for FY 1991 .... 484-485, 497, 501

Page
Conference on Security and Cooperation in Europe 485
Expanding the Helsinki Process 495
FY 1990 Budget 496
Future of the Commission 498
Helsinki II 495
Justification of Estimates 474
Membership of the Commission 484
Monitoring Compliance 489
    Basket II 492
    Casework 491
    Commission-Supreme Soviet Interface 489
    Exchanges 492
Military Security 493
Opening Statement 481
Public Diplomacy 488
Questions and answers submitted for the record 502
    Additional Staff 511
    Carryover Funds 509
    Changes in Eastern Europe 502
    Commission Accomplishments 504
    Personnel Compensation/Consultants 512
Staffing 484

Equal Employment Opportunity Commission

Additional Staffing Requirements 464
ADEA Cases 464
Automation 462
Biography of Chairman Kemp 452
Budget Justifications 418
Case Processing 462
Case Quality 462
Future Enforcement Changes 463
Future Initiatives, Plans and Funding Needs 463
FY 1991 Budget Request 462
Questions and Answers Submitted for the Record 467
Police and Firefighters Study 465
Record-Breaking Enforcement 462
Request to OMB 462
Statements:
    General Statement of Chairman Kemp 454
    Written Statement for the Record 457
Training Needs 466

Federal Maritime Commission

ATFI Program:
    Competition 1154
    Cost offset 1155
    Effect of sequestration on 1152
    FMC request to OMB for 1153
    User fees 1155
Enforcement:
    Activities 1156
    Budget 1156

Page

- FY 91 Budget:
  - FTE reductions 1153
  - Request to OMB 1153
- General Statement 1142
- Justifications 1073
- Prepared Statement of Mr. James J. Carey 1144
- Questions and Answers for the Record 1159
- Sanctions Against Foreign Governments 1157
- Sequestration 1153
- Section 18:
  - Report review 1151
  - Summary of Study 1156
- U.S. Trade Representative 1157

Japan-United States Friendship Commission

- Budget Justifications 152
- Makin, Dr. John H.:
  - Biography 167
  - Statement for the Record 160
- Opening Statement 158
- Questions for the Record 171
  - Grant Awards 172
  - Information Dissemination 172
  - Proposed Budget Justification 171

Marine Mammal Commission

- Appointment of Chairman 1067
- Die-off of Humpback Whales 1068
- Dolphin Kill 1067
- FY 1991 Budget Justifications 1042
- General Statement of Dr. Elsner 1061, 1063
- Guidelines 1069
- Marine Mammal Protection Act Amendments 1061
- Relocation 1066
- Request to OMB 1065
- Research:
  - Budget 1066
  - Unfunded Priorites 1065
- Sea Otter Population 1069

Martin Luther King, Jr. Federal Holiday Commission

- Audit Report 22
- Budget:
  - Funding 17
  - Justification 2
  - Request 18
  - Staffing 31
- Education 28
- Foreign Visitors 28
- General Statement 16
- Hero to the Young 30
- International Celebrations 26
- King Center 29

Page

King, Coretta:
  Biographical Sketch 15
  Tribute 30
Non-Violence vs. Violence 19
Racial Harmony 29
Requests for Information/Assistance 32
States:
  Arizona 31
  Observation of Holiday 30
Support:
  from other organizations 18
  from other Federal agencies 20
  private sector 20
  volunteers 28
Questions and Answers 33

State Justice Institute

Administration Position 307
Board of Directors 307
Budget Justifications 258
Drug Cases, Impact on the State Courts 305
Federal Diversity Jurisdiction 308
Grants 304
Questions for the Record 310
Special Interest Areas 306
Statement of Judge Torbert 286

United States Information Agency

Absorption of Pay Raise and Sequestration 961
Eastern European Developments 952
Exchange Program Cuts 962
General Statement 925
Impact of Section 614 Freeze 942
Israeli Relay Station 950
Justifications 516
OMB Request 942
Prepared Statement 931
Questions and Answers Submitted for the Record 966
Reprogramming:
  Of 1991 Construction Request 943
  For Seville Exposition 963
Request to OMB 954
RFE vs. VOA Broadcasts in Eastern Europe 925
Serbo-Croatian Broadcasts 958
Seville Exposition 959
Seville Funding Tradeoffs 948
Staff Reductions 949
Staff and Program Reductions for 1991 964
TV Budget Reductions 958
VOA Serbo-Croatian Broadcasts 945

O